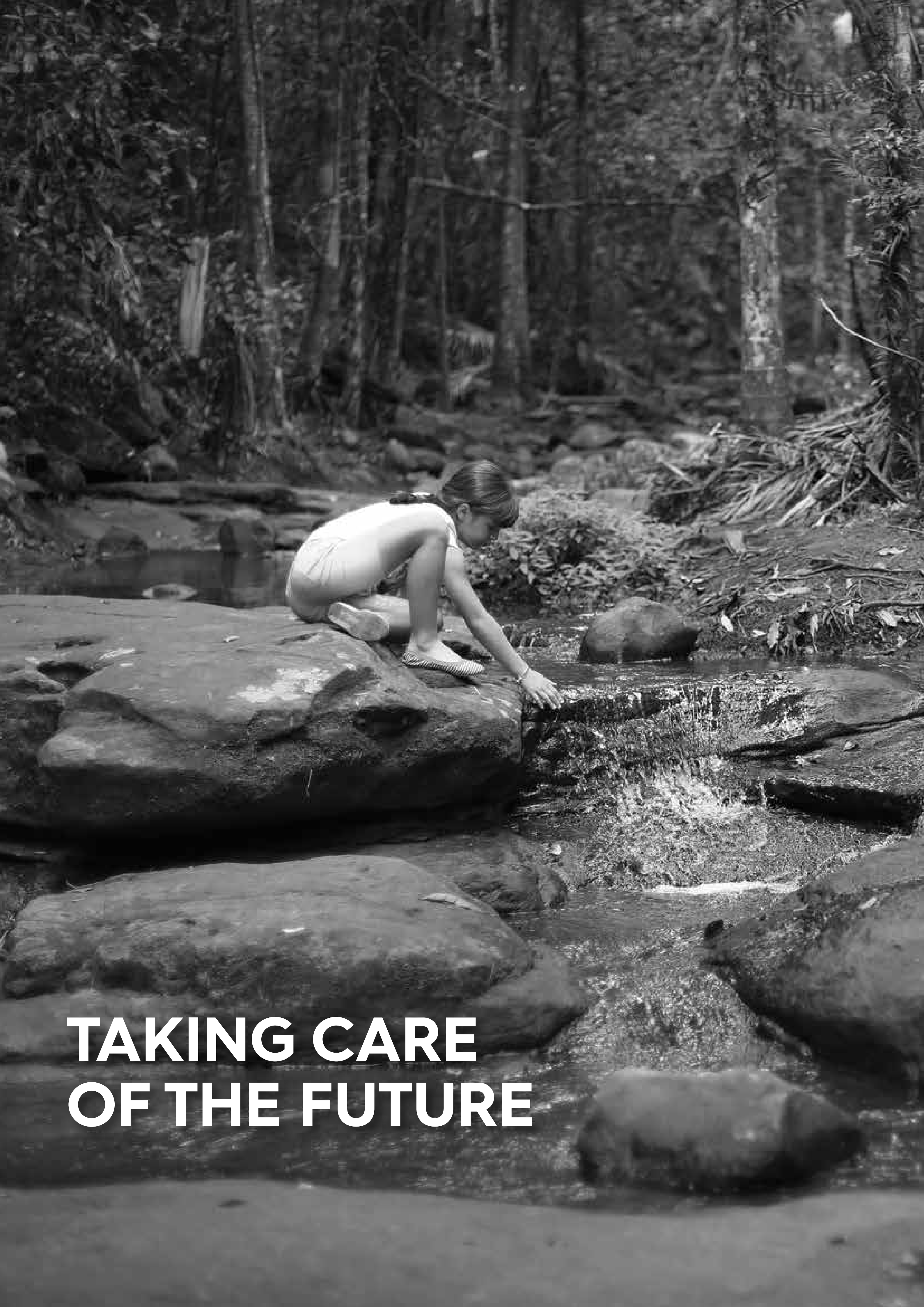
Equity Trustees

2023 Annual Report



TAKING CARE OF THE FUTURE

Young girl exploring a forest creek in Queensland Australia.

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FINANCIAL REPORT

FROM THE CHAIR

MAINTAINING MARKET LEADERSHIP

Equity Trustees has once again delivered an excellent result for the 2023 financial year – a testament to the strength and capability of our people and validating our strategy of focusing on specialist trustee services.

Our outstanding people continued their excellent work, attracting many significant new clients and mandates, growing the teams that service clients, and driving the investments we are making in technology.

Underlying Net Profit after Tax of $29.1m is up 19.4% on the prior year and underlying earnings per share of 114.38 cents is down 0.4%. The Board elected to increase the final dividend to 50 cents, bringing the full year dividend to 99 cents, 2 cents up on the previous year.

These results were delivered in a challenging business environment characterised by inflationary pressures, volatile financial markets and tight labour markets. Despite this, we maintained our market leadership position, and our services and expertise have never been in more demand.

Our consistent performance reflects our strong culture, the high quality of our services in all our markets and our commitment to investing for the future.

BUILDING THE BEST TEAMS

In a business that is about caring for people's future, the quality, capability and wellbeing of our employees are paramount.

During the year we continued to build our teams to ensure we can support the growth in the business. Our philosophy is to ensure we have appropriate resources and expertise to match the prospective growth, so we are ready to capitalise on the opportunities as they arise.

Over the years it has been a priority to recruit the best people, and ensure they have the skills and capability to promptly and professionally meet the needs of our clients, regulators and other stakeholders. Training and career development remain a high priority, as do our health and wellbeing programs.

We are really proud of our client satisfaction and employee engagement results and they indicate this has been the right approach.

As we attract and engage talented people, we are also investing in new technologies that improve the client experience and make it easier to provide such a high level service.

DRIVING PHILANTHROPY

During the year we continued to provide wide-ranging support to communities in need through our philanthropic giving program. This year the program surpassed $100m in granting, and over the last five years Equity Trustees has overseen nearly half a billion dollars of giving to the charitable and for-purpose sector.

Enormous credit for this goes to our hard working and capable team, but also to the generosity of our donor clients who trust us to manage their trusts and funds in such an important way.

A highlight for this year was the launch of our new online Philanthropy Portal, which will make entry into structured philanthropy easier, more accessible and more affordable than ever.

While our granting is structured around our key focus areas, the breadth and depth of our giving are extensive and we always look for ways to influence positive social change beyond giving. We are bringing people together, exploring different ways of funding and bringing new philanthropists on board. Going forward we will continue to develop our technology and people to innovate in removing the barriers to philanthropic giving.

ENVRIONMENTAL, SOCIAL AND GOVERNANCE (ESG) COMMITMENT

The ESG imperative is placing greater expectations on organisations and leaders to reframe their role in society, as well as the ways social and environmental challenges are addressed alongside existing commercial considerations.

In recognition of this, Equity Trustees is developing a new ESG framework and road map that will step up our reporting and commitment to more comprehensively address ESG considerations.

Equity Trustees is already well advanced on issues of governance and our social impact, however the work will enable us to meet growing stakeholder expectations and contribute to a more prosperous and sustainable world.

STRONG REGULATORY POSITION

The environment in which Equity Trustees operates is subject to increasingly complex regulatory and statutory requirements and unprecedented levels of scrutiny.

Equity Trustees has highly productive relationships with the key regulators and we have a reputation as a model regulated entity.

Our consistent performance reflects our strong culture, the high quality of our services in all our markets and our commitment to investing for the future.

This reflects our dedicated approach as an independent trusted fiduciary, with a high level of capability and expertise, a strong focus on governance and a culture that is underpinned by the highest standards of ethics and integrity.

BOARD STRENGTH AND RENEWAL

With a good balance of skills, experience, tenure and diversity, the Board continues to provide a secure foundation for the business.

During the year Anne O'Donnell retired after 12 years as a director. Anne served in a number of important board roles, where her experience and dedication to the company provided valuable insights and perspectives. We thank her for her contribution and commitment to Equity Trustees.

The superannuation trustee boards which oversee the Superannuation business this year welcomed two new appointments – David Coogan and Steven Carew, who together bring significant additional superannuation advisory, audit and investment experience. We farewelled, with thanks, long-standing board members, Ellis Varejes and Tony Lally, and Catherine Robson has replaced Tony in the Chair's position.

On a personal note, I would like to thank my fellow directors for their support and contribution.

STRONGLY POSITIONED FOR THE FUTURE

Equity Trustees is strongly positioned for the future and our excellent team are well placed to continue to build the business and capture the opportunities that arise.

On behalf of the Board, I thank all our clients, people, shareholders and other partners for their tremendous ongoing commitment and support.

CAROL SCHWARTZ
Chair

FROM THE MANAGING DIRECTOR

STRONG PERFORMANCE

It has been another year of strong performance for Equity Trustees, showcasing our broad strength and the success of our growth strategy.

The acquisition of Australian Executor Trustees (AET) during the year is proving to be highly positive and its integration with Trustee & Wealth Services (TWS) is progressing as planned. This, together with another strong performance from our Superannuation business, has helped drive higher revenues.

Total revenue growth has been 26.8% and excluding AET was an impressive 6.6%.

Operating expenses increased during the year, primarily due to inflationary pressures and increased labour costs as we continued to build the size and quality of our team to support the growth in the business.

On both client satisfaction and employee engagement we held our position on key performance measures company wide. We maintained our client Net Promoter Score (the likelihood of clients recommending Equity Trustees) at +28, which is above the industry benchmark. Pleasingly, our staff engagement rating reached 75%, which ranks at the high performance level, for the first time. This is well above the financial services norm and reflects the excellent quality of our people and leadership.

TRUSTEE AND WEALTH SERVICES

TWS increased revenue by 48.1% to $76m, with strong organic growth across all aspects of the business, along with a seven month contribution from AET.

We are particularly pleased with the AET acquisition, which has provided TWS with a truly national footprint and leadership in more trustee markets and is likely to deliver higher than expected synergies. The integration continues to progress smoothly, with key employees secured, the management structure aligned, plans agreed for the platforms business divestment and the outsourcing of administration of Small APRA Funds, and products rationalised and fees aligned.

Our Asset Management team delivered another outstanding performance, with funds under management increasing 11.6% to $4.8b.

Our technology investments are starting to transform the customer experience and the business remains on a strong growth trajectory with a leading reputation in the market

SUPERANNUATION

Superannuation Trustee Services (STS) had another exceptional year with revenue up 21.3% to $25.3m, primarily driven by a strengthening industry position and continued investment in capacity and capability to support demand.

Highlights included several new appointments and strong net fund inflows, and since the financial year-end we have been appointed as trustee for the $1.8b Future Super Fund.

The STS portfolio has now reached $45b, up from $1b five years ago. This extraordinary growth rate is a credit to our team and reflects how our professional trusteeship is increasingly valued in a complex world.

Superannuation has the most significant workload in managing regulatory change and the business has delivered well in meeting these demands and delivering outcomes to members

CORPORATE TRUSTEE SERVICES

A strong increase in new business/mandate wins at Corporate Trustee Services (CTS) was offset by the loss of some large mandates by core clients and an increase in underlying expenses.

More than 30 new schemes were launched during the year and a number of innovative marketing campaigns contributed to further growth.

Revenue was steady at $40m, but remains up significantly on FY21 by 18.9%. This follows 23 years of exceptional growth and we remain confident in the future of the business, where there remain significant opportunities for growth across Australia.

The decision was also announced to exit the UK/Ireland businesses, due to an intensifying regulatory environment combined with pricing pressures from industry competition and consolidation.

To simplify our business and focus on our strategy, we have decided to combine the Corporate and Superannuation businesses under the one umbrella, to be known as Corporate and Superannuation Trustees Services (CSTS). This will enable us to align the operating models of the two businesses and capitalise on the strengths of each business. Their governance and financial reporting structure will not change.

> **Despite economic and regulatory challenges, the outlook for our business is highly favourable, with demand for our unconflicted independent model and expertise continuing to grow.**

TECHNOLOGY INVESTMENT TO BENEFIT CLIENTS

A number of major technology projects under way are expected to drive improvements in client experience, productivity and profitability. Key projects include:

- Nirvana – deployment of a new platform, NavOne supporting tech-enabled operation behind our traditional trust management service in TWS.
- Salesforce – CRM and workflow management across the business.
- iPhi – our new online philanthropy portal which was launched during the year – a market leading platform designed to make structured giving more accessible, affordable and convenient.
- Workday – a new Finance and HR platform befitting the scale and complexity of our business.
- Haast – the pilot of a new Digital Marketing Compliance platform was launched.

POSITIVE OUTLOOK

Equity Trustees remains strongly focused on trustee and fiduciary services in Australia, where it is a market leader and has a long track record of creating value for stakeholders.

Despite economic and regulatory challenges, the outlook for our business is highly favourable, with demand for our unconflicted independent model and expertise continuing to grow.

I would like to thank our Board members for their support, and our staff and leadership team for their dedication to Equity Trustees and ongoing commitment to our clients.

MICK O'BRIEN
Managing Director

HIGHLIGHTS

REVENUE	NET PROFIT AFTER TAX	FUMAS*
$141.4m	$18.8m	$160.1b

T1 IMPROVING CLIENT SATISFACTION

NET PROMOTER SCORE	NET LOYALTY SCORE
+28	+36

T2 LIFTING EMPLOYEE ENGAGEMENT*

ENGAGEMENT	ENABLEMENT
75%	75%

*Excludes AET personnel.

*FUMAS: Funds under management, advice, administration and supervision.

DIVIDEND PER SHARE (FULLY FRANKED)

99cents

SHARE PRICE AS AT 30 JUNE 2023

$25.92

T3 GROWING SHAREHOLDER VALUE

EPS

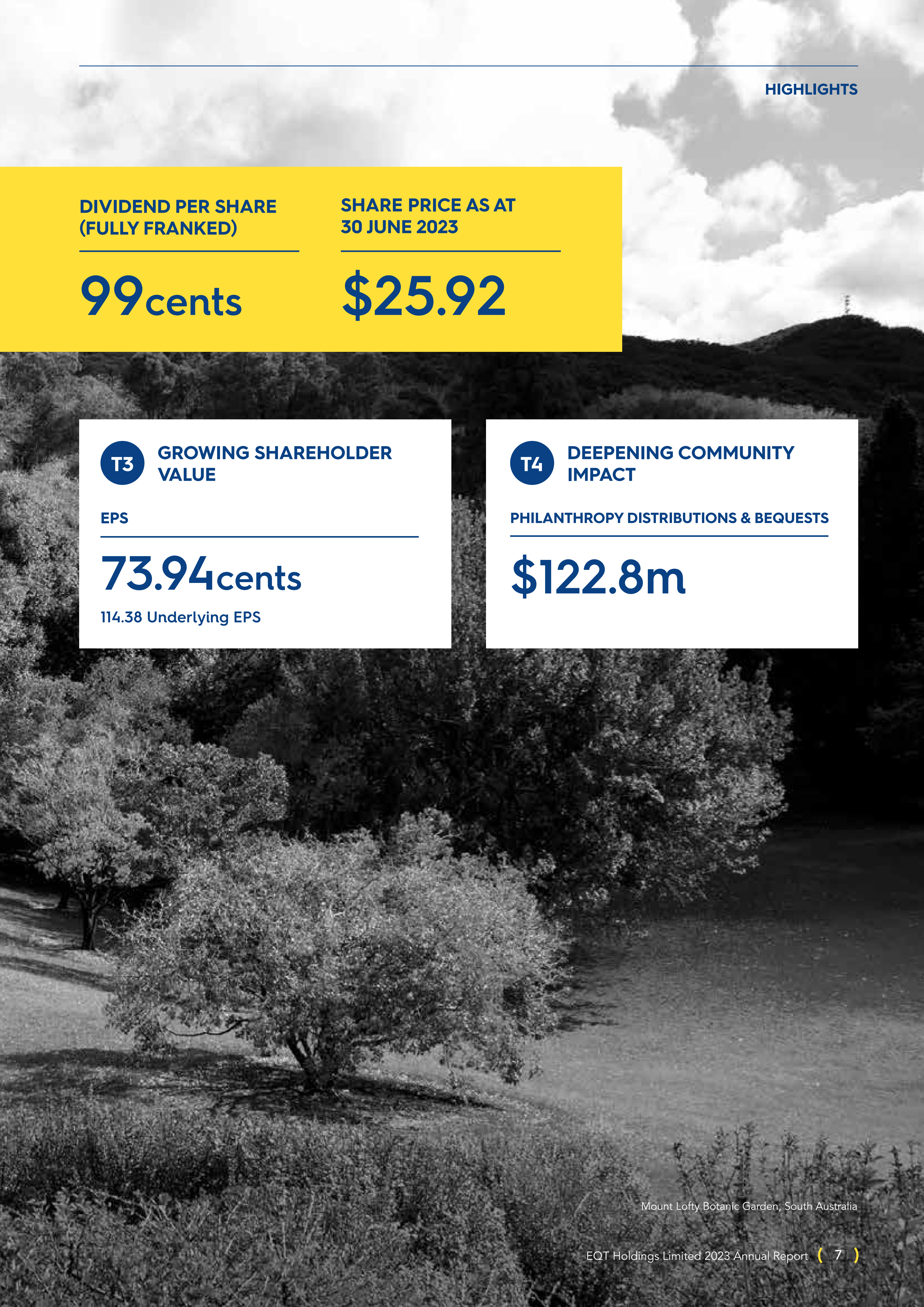
73.94cents

114.38 Underlying EPS

T4 DEEPENING COMMUNITY IMPACT

PHILANTHROPY DISTRIBUTIONS & BEQUESTS

$122.8m



Mount Lofty Botanic Garden, South Australia

TRUSTEE & WEALTH

PROFIT BEFORE TAX	REVENUE	FUMAS*
$25.8m	$76.0m	$16.3b

Strong underlying organic growth boosted with a transformational acquisition, which positions our private client business as a national leader, with offices in all major capitals.

The acquisition of Australian Executor Trustees (AET) in December 2022 brought together two powerhouse traditional trustees with unrivalled experience to service the complex needs of our diverse range of clients.

It takes us to the leadership position in Health and Personal Injury (Compensation) Trusts and broadens our reach nationally across all service lines. The scale of the newly combined estate planning service meant the volume of wills is multiples of the previous year. In addition, the acquisition creates a sizable Native Title / Community Trusts business, cements our leadership position in philanthropy, and broadens the scope of trustee services offered to individuals and families, particularly in the heartland of AET business, Adelaide. New business in trusts and estates has been strong post acquisition – in excess of $20 million.

The client experience for the bulk of the trustee business is also set to be transformed with an online platform which will manage complex estate and trust arrangements and enable online access for clients. The implementation of NavOne is a vital part of the integration of AET into the Equity Trustees business and a long-planned investment in the uplift in service and operational efficiency for all clients in trusts and estates. It follows last financial year's successful implementation of the AFLPA Portal for the $200 million AFLPA Player Retirement Account (PRA).

In FY23 Equity Trustees incorporating AET created

2127 estate plans nationally

THE ULTIMATE GIFT OF EDUCATION

One woman's financial legacy is providing future generations of her family with a free education.

When Theresa* died 23 years ago, she left generations of her family members the ultimate gift.

Her will outlined specific instructions to set up a trust fund that would enable her living great grandchildren and all of their children, alive or unborn, to receive financial support to study or pursue a trade.

**Name changed to protect privacy.*

TRANSFORMATIVE ACQUISITION

Australian Executor Trustees (AET) is one of Australia's largest and most experienced non-government providers of professional trustee services. In December 2022, Equity Trustees completed the acquisition of AET, which is now part of the Equity Trustees group of companies.

AET has a long and proud history since being established in 1879. AET is the amalgamation of parts of four original trustee companies: Executor Trustee and Agency Company of South Australia Limited, Elders Trustee and Executor Company Limited, Bagot's Executor and Trustee Company Limited, and Farmers Trustee Company Limited.

Read the media release

Perth, Western Australia.

EQUITY TRUSTEES DISTRIBUTIONS*		AET DISTRIBUTIONS		TOTAL
$102.0m	+	$20.8m	=	$122.8m

PHILANTHROPY

Philanthropic giving reached a new milestone this financial year with more than $100 million in total. With the inclusion of AET philanthropy, this takes the total to $122.8 million. This included grants from bequests, trusts and estates, and community trusts, of $11.4 million.

This year also saw the launch of our Equity Trustees Philanthropy Portal, which transitioned active philanthropy clients to the online, 24/7 accessible platform. AET philanthropy clients are set to follow. The portal positions the business to reach a broader market of people with a commitment to sustainable giving.

The two charitable trusts established in the wake of the 2019 bushfires to support people and communities around the country to recover from disaster and emergency events have delivered on their promise; The Community Rebuilding Trusts have distributed funds to support communities to rebuild infrastructure while the Australian Volunteer Support Trust now supports the education of five children whose parents lost their lives defending their communities as volunteers.

THE SIR ROSS AND SIR KEITH SMITH FUND CONTINUES FAMILY'S AVIATION LEGACY

The memory of two distinguished South Australian pioneer aviators continues to inspire local aerospace technology knowledge and innovation.

The Smith brothers changed the future of aviation when they made the first flight from London to Australia within 28 days more than a century ago.

Sir Keith Smith and Captain Sir Ross Smith were knighted for their achievement and received a cheque for £10,000 from the Prime Minister, which they shared equally with their two mechanics.

Sir Ross Smith's Aeroplane. Photo credit: State Library of South Australia, B 7921.

AUSTRALIA'S OLDEST RESEARCH INSTITUTE IS WORKING TO SOLVE THE DEMENTIA PUZZLE

The Walter and Eliza Hall Institute has embarked upon a genomics project that aims to accelerate research into personalised dementia therapies.

If you've never had a close family member or friend with dementia before, the reality is that – in time – you probably will.

More than 50 million people across the globe live with dementia and in 25 years that number is expected to rise to 150 million, according to the World Health Organisation.

*Includes Equity Trustees charitable trusts, bequests, estates and trusts, and community trusts.

ASSET MANAGEMENT

Sustained performance and development paved the way for a constructive year of consolidation and growth.

FUM

$4.8b

GROWTH

~12%

Funds under management grew by approximately 12% off the back of investment mandate wins, market impacts, and the AET integration, bringing with it an alignment of investment strategies between the two groups of clients. This added around $216 million FUM, bringing total FUM to $4.8 billion.

Our Asset Management team grew to 15 professionals with strengthened capability in defensive assets, portfolio implementation and client servicing while expanding the product range and further developing our Responsible Investing Framework.

Signatory of:

PRI Principles for Responsible Investment

Reflecting our Responsible Investing approach, we became a signatory to UN Principles of Responsible Investment (PRI) and a Member of the Responsible Investment Association Australasia (RIAA). RIAA certification was achieved for the realigned and rebranded EQT Responsible Investing Australian Share Fund (Dec 2022) and EQT Responsible Investment Global Share Fund (May 2023).

We developed a multi-manager offering for the Equity Trustees / AET integrated Health and Personal Injury client base and acquired a complementary new product (the Spectrum Strategic Income Fund) for our multi-asset offering.

Read media release about getting RI accreditation

We remain focused on client service and active marketing through a revamped web presence and increasing media profile. We opened up availability to all Equity Trustees funds and these are now easier for financial advisers and investors to access via the HUB24 platform.

INDEPENDENT VERIFICATION OF THE STRENGTH AND DEPTH OF OUR TEAM, PROCESSES AND PERFORMANCE

SQM Ratings (Asset Consultant) achieved

Superior SQM

- Australian Equities (Flagship, Responsible Investment & Tax-Aware)
- EQT Tax-Aware Diversified Fund (multi-asset class)
- EQT Mortgage Income Fund
- Spectrum Strategic Income Fund

Favourable SQM

- EQT Responsible Investment Global Share Fund
- EQT Eight Bays Global Share Fund
- EQT Diversified Fixed Income (initial review)

Strong continued performance, in particular from the Australian equity products where the EQT Flagship Australian Equities Fund ranked consistently in the upper second quartile over three years and five years (out of 76 core managers in the Mercer Survey as at 30 June 2023).

In May 2023, three key executive from Equity Trustees (Darren Thompson, Grant Mundell and Benieka Lythgo) travelled to Kiribati to meet with a number of valued clients. Two include (pictured below) the Kiribati Provident Fund (KPF) our longest standing Kiribati client, and the Kiribati Insurance Corporation (KIC) – the primary insurer of all things in Kiribati (pictured top/below). Our relationship with Kiribati is a legacy from the acquisition of ANZ Trustees. Over the years, our strong connection and relationship to Kiribati has strengthened, and we were have become the trusted adviser for many Kiribati organisations.

SUPERANNUATION

PROFIT BEFORE TAX	REVENUE	FUS*
$6.1m	$25.3m	$44.8b

Strengthening industry position and continued investment in team capacity and capability to support demand for expert service.

We consolidated our position as Australia's foremost provider of independent superannuation trustee services this financial year. Our funds under supervision were up around 29.1% (to $44.8 billion) at year-end, with 630,000 superannuation fund members representing an increase of 61,000 members.

In December, the acquisition of Australian Executor Trustees (AET) brought approximately 800 small APRA funds and AET's operational support capability into our superannuation trustee portfolio.

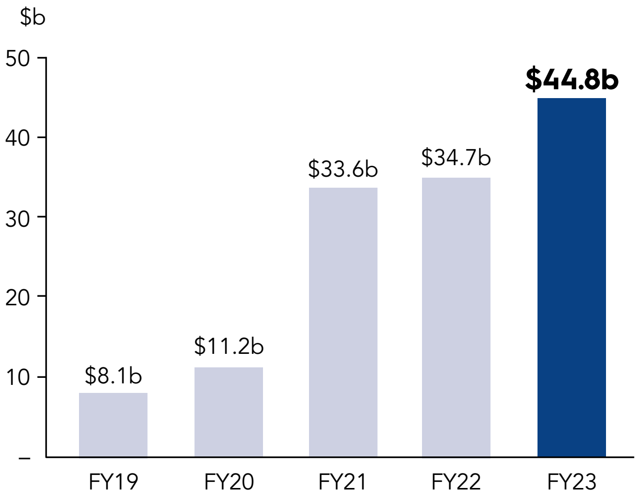
We closed out the year with an appointment to the Future Super fund (effective 1 July) – one of Australia's major impact superannuation offers. Future Super, and its Verve Super product, will add another $1.8 billion and 50,000 members to the fold. Other significant appointments during the year included Super Simplifier and Raiz Investments which together added more than $1 billion.

In addition, the growing specialist team supported eight Successor Fund Transfers or wind-ups of a fund and completed over 180 Member Outcomes Assessments. The focus is always to improve member benefits alongside high-quality oversight to ensure regulatory compliance – an approach reviewed periodically by APRA.

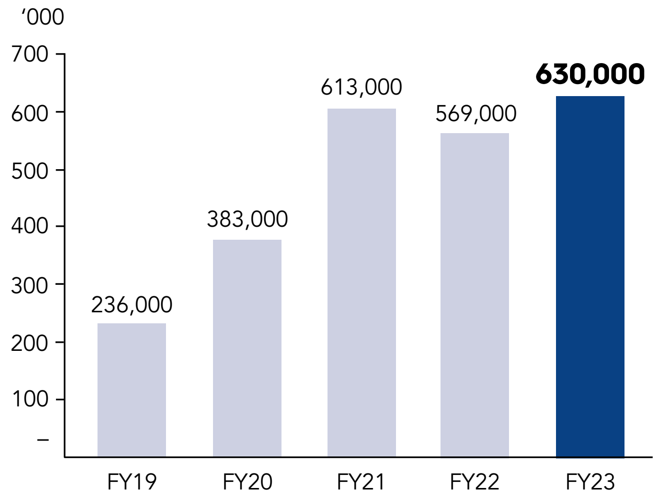
Good governance is the cornerstone of trustee responsibilities. Having executives and boards that bring together individuals with breadth and depth of expertise is critical to applying the high level of judgement required of a trustee. This year saw the appointment of a new Executive General Manager, Andrew Godfrey, and two new board appointments, David Coogan and Steven Carew, following the retirement of George Zielinski and Ellis Varejes. Together, the appointments refresh the leadership, which continues to benefit from individuals with a wealth of industry experience and detailed knowledge of finance and governance.

More about our Superannuation business

FUS



MEMBERS



*FUS: Funds under supervision.

MEMBERS

630k

FUTURE SUPER APPOINTMENT

The Future Super Fund, including Verve, manages over $1.8 billion in superannuation assets for over 50,000 members. Established in 2014, Future Super's purpose is to create a future free from climate change and inequality while providing superannuation services focused on zero fossil fuel investment and clean energy projects with a holistically ethical framework and screening process.

Future Super includes the Verve Super product, an ethically invested superannuation offering focused on women.

Read more about the appointment

Collins Street in Melbourne, Victoria.

CORPORATE

PROFIT BEFORE TAX	REVENUE	FUS*
$9.5m	$39.9m	$99.0b

Growth in custody and real assets, and debt and securitisation, while retaining leadership in funds management in an increasingly competitive and complex funds management market.

With more than 50 new appointments launched this financial year, we experienced a moderation in net growth after more than two decades of very strong expansion of our independent, responsible entity service.

Among new funds launched this year were Acclaim (IDPS), Northleaf Capital Partners, Octopus Investments, Arrow Capital, ClearLife Capital, Hejaz Asset Management, Global Infrastructure Partners, GCQ Funds Management, Coolabah Capital Investments, Juddcorp, Contrarius Investment Management, Fort Street Real Estate Capital, Mi Funds Management, Kardinia Capital and a suite of funds for Resolution Life.

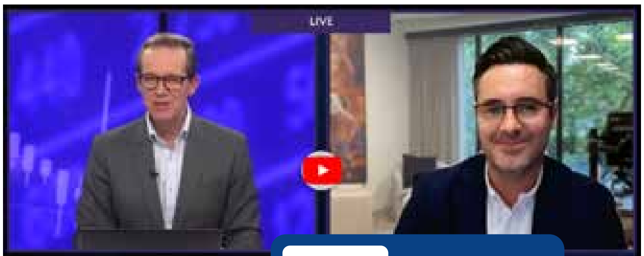
Listed funds continue to hold strong appeal in the market, and our specialist capability has meant we have been able to efficiently enable our clients to access this market and diversify their offerings. This year's highlights include Hejaz Equities Fund (ASX: ISLM), Hejaz Property Fund (ASX: HJZP) and Milford Absolute Growth Fund (ASX: MFOA).

Our Debt and Securitisation services business is responsible for more than $10 billion FUMAS and continues on a strong growth trajectory. New transactions for the year included two new bond issues and further warehouse mandates for key clients.

We're well prepared for the challenges ahead in an increasingly complex funds management market where regulatory requirements continue to grow.

These have been at the forefront of our planning and preparation with strategic investment in people and technology to maintain our focus on client service and operational excellence.

In addition, we have maintained a strong marketing program with targeted campaigns that effectively use partnerships and cost-effective digital marketing channels. These have included the second annual *The 100* research and webinar, key fund media releases, Clearway Capital podcast, and appearances on ausbiz TV. Increasingly successful are social media campaigns promoting downloadable information packs and papers on establishing a fund in Australia and the issue of greenwashing.



Scan to watch ausbiz video

GLOBAL LIFE INSURANCE

Global life insurance group Resolution Life appointed Equity Trustees as trustee for its eight private credit trusts.

Resolution Life Australasia (RLA) is the sole investor in the trusts which are managed by Blackstone, one of Resolution Life Australasia's asset managers. Resolution Life has assets under management of more than US$370 billion (A$550 billion) around the globe and more than 13 million policyholders.

*FUS: Funds under supervision.

ENERGY ROADMAP

AEMO Services Ltd appointed Equity Trustees as financial trustee under the NSW Electricity Infrastructure Roadmap.

AEMO Services is an independent subsidiary of the Australian Energy Market Operator (AEMO) and is a key partner in the implementation of the NSW Government's Electricity Infrastructure Roadmap through its appointment as the NSW Consumer Trustee.

The Roadmap works towards legislated targets of at least 12GW of new renewable generation and at least 2GW of new long-duration storage by 2030.

Up to $32 billion in private capital is expected to be deployed to accomplish this task, which is unprecedented in an Australian context.

Read more about the appointment

RETAIL CENTRE GROWTH

Fort Street Real Estate Capital (FSREC), a specialist real estate and asset management company, selected Equity Trustees as the replacement responsible entity of the FSREC Property Fund.

The $700 million FSREC Property Fund seeks to invest in convenience-based retail centres with strong underlying fundamentals underpinned by a high proportion of non-discretionary income. The Fund's investment objective is to provide investors with exposure to a portfolio of well-located convenience-based retail assets, providing the potential for strong long-term cashflows and capital growth. The geographic focus is on major metropolitan areas and strong regional centres, predominantly across the east coast of Australia.

Read more about the appointment

Central business district of Sydney, New South Wales.

COMMITTED TO OUR PEOPLE AND OUR COMMUNITY

WORKPLACE GIVING DONATIONS	EMPLOYEES NATIONALLY
$22k	480

With the acquisition of AET, our workforce increased by approximately 170 people, taking our total employee numbers to 480 nationally. While the acquisition and integration process meant change for everyone across the business (including the newest arrivals from AET), we achieved an outstanding result in employee satisfaction – with Engagement at 75% and Enablement at 75%, with AET employees being reported next year.

Our commitment to enabling our highly specialised workforce included an evolution of two key policy areas – parental leave and flexible working – and Learning and Development initiatives.

Our Paid Parental Leave increased from 12 to 16 weeks for the primary carer, regardless of gender. Superannuation payments were introduced for unpaid periods of parental leave up to 12 months. Our Workplace Flexibility policy was revised to identify Thursdays as the in-office collaboration day across the business, with flexibility for employees to choose their other two in-office days.

In recognition of the diverse professional skill sets required in the operation and management of a contemporary trustee company in an ever-changing environment, our Learning and Development program expanded to include a trial of an Enterprise Change Program (which will now become a fixture of the ongoing program), company-wide access to LinkedIn Learning, including curated pathways for different parts of the business, and the Triple A program which caters for employees at various stages of leadership capability and development.

New and emerging talent (who may wish to pursue a technical/specialist career path or a leadership path)

New people leaders (or those new to Equity Trustees)

Experienced leaders who have completed previous development programs or Senior SME/specialists who are looking to extend themselves

Equity Trustees people used their volunteering days to support a wide range of charitable and not for profit organisations, including (from the top): Friends of Eaglemont Village, the SA State Music and FareShare.

Our commitment to having a Reconciliation Action Plan (RAP), with a focus on the next iteration of the Equity Trustees *Innovate* RAP will be helped by drawing on the RAP experience of our newest AET colleagues. We renewed our RAP Working Group of employee representatives to ensure all parts of the newly integrated teams – and geographic locations – were included.

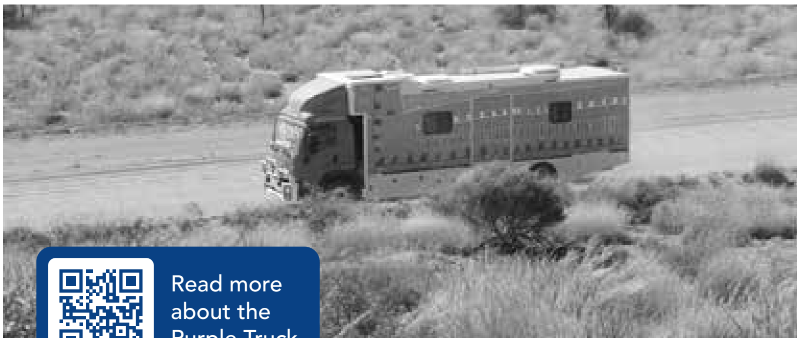
In addition, as part of our RAP commitments and in support of our Community Trusts work, we maintained our corporate partnerships for NAIDOC Week and National Reconciliation Week (NRW) with multiple internal and external communications to engage employees and sponsorship of events, including supporting the MSO NAIDOC Week music program. Our Aboriginal Art Program also continues to commission works from First Nations artists for corporate and display use in our offices.

Members of the Equity Trustees Reconciliation Action Plan (RAP) Working Group at a NAIDOC Week event; and more volunteering days which included assembling bikes which were being donated as Christmas gifts, blood donation and packing for St Kilda Mums.

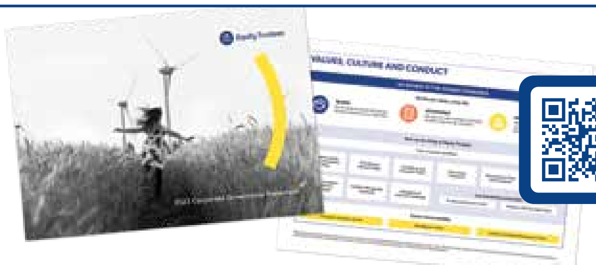
PURPLE TRUCK BRINGS CONNECTION TO COUNTRY

Purple Truck is one of the charitable programs supported by our Workplace Giving Program and our Philanthropic Granting Program.

"Small communities often don't have a permanent dialysis unit," Purple House Communications & Engagement Manager Kate Clark said. "But people receiving treatment in Alice Springs or Darwin are also desperate to get home, whether it's for 'sorry business' and funerals, important meetings, cultural business, festivals, or just because they miss their family."



Read more about the Purple Truck



Read our Corporate Governance Statement

Botanical gardens in Melbourne, Victoria.

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

The Directors of EQT Holdings Limited (Equity Trustees, or the Company) present the annual financial report for EQT Holdings Limited and its subsidiaries (the Group) for the financial year ended 30 June 2023, and the independent auditor's report.

BOARD OF DIRECTORS

The Directors of the Company during or since the end of the financial year are:

CURRENT BOARD MEMBERS

CAROL SCHWARTZ AO

BA, LLB (Monash), MBA, FAICD, AO

Chair, Independent Director

Appointed Director in March 2020; Chair in October 2020.

Ms Schwartz is a Non-Executive Director of the Boards of the Reserve Bank of Australia and Trawalla Group and Chair of the Climate Council. Ms Schwartz is also the founding Chair of the Women's Leadership Institute Australia and Our Community – she remains Chair of both Boards.

Ms Schwartz was previously Chair of Industry Superannuation Property Trust, one of Australia's largest superannuation property groups, a Non-Executive Director of Stockland Group Limited, National President of the Property Council of Australia and a Member of the Advisory Board of Qualitas Property Partners.

Ms Schwartz was awarded the Leading Philanthropist Award by Philanthropy Australia in 2020, was recognised in the 2019 Queen's Birthday Honours for her service to the community as a supporter of women in leadership, social justice advocacy and to business. She has an Honorary Doctorate from Monash University and Queensland University of Technology, has been inducted into the Australian Property Hall of Fame, was made an Honorary Life Member of the Property Council of Australia, was recognised by Ernst & Young as the 2018 Champion of Entrepreneurship, Southern Region, and was inducted into the Victorian Women's Honour Roll.

KEVIN ELEY

CA, F.FIN, FAICD

Independent Director

Appointed Director in November 2011.

Mr Eley is a Chartered Accountant with experience in management, finance and investment. He was Chief Executive Officer for 20 years of listed diversified investment company Hancock & Gore Limited, where he remains as a Non-Executive Director. Previously he worked in Australia and overseas for a major international accounting firm and in the corporate finance divisions of a local and international investment bank.

Mr Eley is also a Director of Hancock & Gore Limited and Pengana Capital Group Limited.

Mr Eley brings to the Board extensive experience in the areas of managing businesses, strategic development, finance and investment.

Mr Eley is Chair of the Board Audit Committee and is a member of the Board Risk Committee.

Listed company Directorships held during the past three financial years:

- Hancock & Gore Limited (from October 1985 to present)
- Pengana Capital Group Limited (from June 2017 to present)
- Milton Corporation Limited (from November 2011 to October 2021).

D GLENN SEDGWICK

B.Comm., FAICD, FCA

Independent Director

Appointed Director in August 2016.

Mr Sedgwick has over 36 years' commercial experience, including 20 years as a Partner in Accenture.

Mr Sedgwick is a Director and Audit Committee Chair of the Victorian Managed Insurance Authority, MSO Holdings Ltd and the Melbourne Symphony Orchestra.

He was previously Managing Director of Accenture's Asia Pacific Insurance and Wealth Management business, and has consulted to listed and unlisted Australian, Asian, Chinese and European enterprises across financial services and information technology. He brings an international perspective, having lived in China and the UK over the course of his career.

He is a former Chair of Australian Tourist Park Management Pty Ltd, Australian Life Insurance Group (ALI) and Queen's College Trust Corporation, and former Director of Queen's College (University of Melbourne).

With strengths in financial reporting and risk management, Mr Sedgwick also brings to the Board extensive knowledge in strategy development, and international operations.

Mr Sedgwick is a member of the Board Audit Committee and the Equity Trustees' Responsible Entity Compliance Committee. Mr Sedgwick also leads the strategy review sessions (held as part of the ongoing Board calendar).

TIMOTHY (TIM) HAMMON

B.Comm., LLB (Melbourne University), AICD Member

Independent Director

Appointed Director in December 2018.

Mr Hammon is a Non-Executive Director of Vicinity Centres, Chair of its Risk & Compliance Committee, as well as a member of its Remuneration and Human Resources Committee and of its Nominations Committee.

He is also a member of the advisory boards of two privately-owned businesses.

Mr Hammon was CEO of Mutual Trust Pty Ltd, from 2007-2017, a leading Australian multi-family office. Prior to that, Mr Hammon held senior leadership positions with Coles Myer Ltd over an 11 year period.

He began his career in law with Mallesons Stephen Jacques in 1977 and was a partner at the firm for 12 years, including four years in senior leadership positions.

Mr Hammon has also undertaken roles with numerous not-for-profit organisations, including the Abbotsford Convent Foundation, St Catherine's School, Aickenhead Centre for Medical Discovery and Kilfinan.

Mr Hammon is Chair of the Remuneration, Human Resources and Nominations Committee and a member of the Board Risk Committee.

Listed company Directorships held during the past three financial years:

- Vicinity Centres (from 2011 to present).

CATHERINE ROBSON

BA (Asian Studies), LLB (Hons), Grad Dip (Applied Finance), LLM (Tax), GAICD

Independent Director

Appointed Director in February 2020.

Ms Robson is a highly skilled wealth strategist with over 21 years' experience advising sophisticated high net worth individuals and family groups.

Ms Robson is a Director of Greater Bank Limited, Newcastle Greater Mutual Group Ltd and Lumos Diagnostics Holdings Ltd. She is Chair of the Korowa Anglican Girls' School Council.

She is currently the Chair of Equity Trustees Superannuation Limited and HTFS Nominees Pty Ltd.

Ms Robson founded successful financial services firm Affinity Private. She commenced her career at Macquarie Bank, before spending 11 years as a senior adviser with NAB Private Wealth.

Ms Robson is Chair of the Board Risk Committee and member of the Remuneration, Human Resources and Nominations Committee and Board Audit Committee.

Listed company Directorships held during the past three financial years:

- Lumos Diagnostics Holdings (from January 2021 to present).

THE HON. KELLY O'DWYER

LLB (Hons) / BA

Independent Director

Appointed Director in March 2021.

Ms O'Dwyer is a Non-Executive Director of HMC Capital Limited (ASX: HMC), HCW Funds Management Limited as Responsible Entity of HealthCo Healthcare and Wellness REIT (ASX: HCW) and Barrenjoey Capital Partners Group Holdings Pty Ltd. She is also a member of the School Council of Caulfield Grammar School.

Ms O'Dwyer previously served in the Australian Parliament as a Senior Cabinet Minister holding a number of key economic portfolios including Minister for Jobs and Industrial Relations; Minister for Revenue and Financial Services; Minister for Small Business; and Assistant Treasurer.

She also served on the Cabinet's Budget Committee (the Expenditure Review Committee) and held the portfolios of Minister for Women; as well as Minister Assisting the Prime Minister with the Public Service.

Prior to entering Parliament, Ms O'Dwyer worked in law, government and finance.

Ms O'Dwyer is a member of the Board Risk Committee, Remuneration, Human Resources and Nominations Committee and Chairs Equity Trustees' Responsible Entity Compliance Committee.

Listed company Directorships held during the past three financial years:

- HMC Capital Limited (from November 2020 to present).
- HealthCo Healthcare and Wellness REIT (from August 2021 to present).

MICHAEL (MICK) O'BRIEN

CFA, GAICD

Managing Director

Appointed Director in July 2014;
Executive Director in April 2016;
Managing Director in July 2016.

Mr O'Brien was admitted as a Fellow of the Institute of Actuaries of Australia in 1989 and holds the Chartered Financial Analyst designation. He was formerly CEO and Director of Invesco Australia Limited, Director of Alliance Capital Management Australia and Chief Investment Officer of AXA Australia and New Zealand, where he was also a Director of AXA's Responsible Entities and RSE Licensees.

With 41 years in both retail and institutional markets, Mr O'Brien brings to the Board wealth management experience in superannuation, investment management, insurance and advice.

Mr O'Brien is a member of the Board Risk Committee and a Director of a number of the Group's subsidiary companies.

Listed company Directorships held during the past three financial years:

- Templeton Global Growth Fund Limited (from August 2014 to February 2020).

FORMER

ANNE O'DONNELL

BA (Bkg & Fin.), MBA, FAICD, SF Fin

Independent Director

Appointed Director in September 2010.
Retired in October 2022.

Ms O'Donnell has extensive experience in the finance sector and is an experienced Executive and Non-Executive Director in the listed, not-for-profit and mutual sectors.

Ms O'Donnell was a member of the Board Risk Committee, the Remuneration, Human Resources and Nominations Committee and Chair of Equity Trustees' Responsible Entity Compliance Committee.

COMPANY SECRETARY

SAMANTHA EINHART

LLB, GDLP, FGIA, MAICD

Joined January 2022.

Ms Einhart is an experienced governance professional who has worked at several Australian listed companies.

Prior to joining Equity Trustees Limited, Ms Einhart held positions at Maurice Blackburn and REA Group Limited.

Ms Einhart holds a Bachelor of Laws, a Graduate Diploma in Applied Corporate Governance, a Graduate Diploma in Legal Practice and is a Member of the AICD and a Fellow of the Governance Institute of Australia.

DIRECTORS' MEETINGS

The following table sets out the number of Directors' Board and Committee meetings held during the financial year and the number of meetings attended by each Director (while they were a Director or member of the relevant Committee).

DIRECTORS	BOARD		REMUNERATION, HUMAN RESOURCES, NOMINATION COMMITTEE		BOARD AUDIT COMMITTEE		BOARD RISK COMMITTEE		BOARD STRATEGY COMMITTEE		BOARD SUB-COMMITTEE		DUE DILIGENCE COMMITTEE	
	A	B	A	B	A	B	A	B	A	B	A	B	A	B
CURRENT DIRECTORS														
C Schwartz	8	8	n/a	2	n/a	4	n/a	2	3	3	2	1	n/a	n/a
K Eley	8	7	n/a	n/a	5	5	5	5	3	3	2	2	7	7
DG Sedgwick	8	8	n/a	1	5	5	n/a	1	3	3	n/a	n/a	n/a	6
T Hammon[1]	8	8	5	5	n/a	1	3	3	3	3	n/a	n/a	7	7
C Robson	8	8	5	5	5	5	5	5	3	3	n/a	n/a	7	7
K O'Dwyer[2]	8	8	3	4	n/a	1	5	5	3	3	n/a	n/a	n/a	n/a
M O'Brien	8	8	n/a	5	n/a	4	5	4	3	3	2	2	7	7
FORMER NON-EXECUTIVE DIRECTORS														
A O'Donnell[3]	4	4	2	2	n/a	n/a	2	1	n/a	n/a	n/a	n/a	n/a	n/a

A = Meetings eligible to attend B = Meetings attended n/a = Not applicable

[1]Tim Hammon was appointed to the Board Risk Committee on 18 October 2022.
[2]Kelly O'Dwyer was appointed to the Remuneration, Human Resources, Nominations Committee on 18 October 2022.
[3]Anne O'Donnell retired from the Board effective 20 October 2022.

The Board convened two Board Sub-Committees during the period. The Sub-Committee comprised of Ms Schwartz, Mr Eley and Mr O'Brien.

The Board convened a Due Diligence Committee to oversee the acquisition of AET. The Due Diligence Committee comprised of Mr Eley, Mr Hammon and Ms Robson, Mr Sedgwick attended as a (Board Observer).

The Board Strategy Committee was dissolved immediately following the meeting on 20 April 2023.

Any Director may attend any Board Committee meeting.

KEY MANAGEMENT PERSONNEL (KMP)

MICHAEL (MICK) O'BRIEN
CFA, GAICD
Managing Director
Joined April 2016.
See profile in previous section.

PHILIP GENTRY
BSc, MBA, GAICD
Chief Financial Officer, Chief Operating Officer
Joined January 2016.

Mr Gentry has substantial experience in leadership roles, predominantly within financial services, but also encompassing international trade, property, agribusiness, commodities, and logistics.

Mr Gentry's previous responsibilities include Managing Director of Agrium Asia Pacific and CFO of AWB. He formerly held a variety of senior roles at ANZ Bank, ranging from Corporate Banking, Strategic Development and Investor Relations to Global Head of Commodity and Trade Finance.

After receiving an MBA from IMD in Switzerland in 1991, he completed the Stanford Executive Program in 2010. He is a member of the Financial Services Institute of Australasia, and the Australian Institute of Company Directors. In 1983 he graduated from the Royal Military College, Duntroon, with a Bachelor of Science from the University of NSW.

IAN WESTLEY
BAgrSc, DipFinServ
Executive General Manager, Trustee & Wealth Services
Joined May 2007.

Mr Westley has more than 30 years' business development and sales experience in Australia and the United Kingdom across a range of different industries.

He is responsible for managing the Trustee & Wealth Services business. He holds a Bachelor of Agricultural Science from the University of Melbourne and a Diploma of Financial Services.

RUSSELL BEASLEY
Dip Fin Mkts, SA Fin
Executive General Manager, Corporate Trustee Services
Joined February 2005.

Mr Beasley has more than 40 years' experience in the financial services industry, holding senior funds management and retail banking roles with MLC, County Investment Management and National Australia Bank.

Mr Beasley is responsible for the Corporate Trustee Services business within Australia. He is a member of Equity Trustees' Responsible Entity Compliance Committee.

ANDREW GODFREY
B.ED
Executive General Manager, Superannuation Trustee Services
Joined February 2023.

Mr Godfrey has over 30 years' experience in financial services, including leadership roles across superannuation, wealth, financial advice and insurance. His experience has spanned operations, technology, master trusts and administration, client delivery, transformation and change and risk. He has spent significant periods of his career with Mercer where he was COO prior to joining Equity Trustees.

Mr Godfrey leads the Superannuation Trustee Services business.

OPERATING AND FINANCIAL REVIEW

OVERVIEW OF EQUITY TRUSTEES

INTRODUCTION

Established in 1888, EQT Holdings Limited and its controlled entities (Equity Trustees or the Group), is an Australian independent financial services organisation operating in Australia, the United Kingdom and Ireland providing trustee and related services to a variety of corporate and private clients.

PURPOSE

Equity Trustees is a company founded on trust and has acted in a trusted role for individuals, trusts and corporations for over 130 years.

Its purpose is to help people take care of their future through:

- Safeguarding people's wealth now and for generations to come.
- Acting as a trusted, independent partner to grow and manage clients' wealth.
- Providing trustee services and fiduciary support to help to protect the interests of investors, members and beneficiaries.
- Empowering clients to improve the lives of others and support the community.

STRATEGY

Equity Trustees aims to be the pre-eminent independent specialist provider of trustee services in Australia. The Group's vision is to be Australia's leading trustee company. This vision is supported by the following key strategies:

GROUP STRATEGY

BUSINESS GROWTH

- Capture opportunities from market demand for fiduciary independence with prudent cost control
- Compete in additional lines of trusteeship to maximise our opportunity set
- Scale up areas of business that show greatest scope for growth
- Disciplined acquisitions in areas with greatest growth and/or synergy opportunities
- Maintain balance sheet discipline

CLIENT SERVICE

- Deliver seamless, tailored client service across our B2B and B2C clients
- Leverage technology solutions to improve client offering and streamline operations
- Provide expert market leading advice to clients

CAPABILITY

- Resource our businesses with the best technical professionals in fiduciary services
- Build teams of committed, caring, skilled, resilient people
- Build technology and systems to drive operational efficiency and enhance client experience

COMMUNITY

- Efficient and effective management of clients' philanthropic funds
- Contribute to improving social and economic outcomes for Aboriginal and Torres Strait Islander peoples and communities
- Volunteering and supporting for-purpose organisations

Key strategic objectives include:

- Consistent growth in shareholder value and returns.
- Market leadership in our specialist business areas.
- Reputation as a stable, trusted, and enduring corporation.

As an independent, specialist trustee, Equity Trustees aims to be a leading player in all aspects of trusteeship. Equity Trustees deploys its trustee capability through three core businesses complemented by shared technology and support services.

OPERATING BUSINESSES AND PRINCIPAL ACTIVITIES

The Group has three business units through which we offer our services to corporate and private clients:

Corporate Trustee Services (CTS) – provides a range of fund governance and trustee services for managed investment schemes on behalf of local and international fund managers and sponsors, as well as specialised trustee services for debt, securitisations, custody and real asset arrangements for corporates. CTS operates in Australia (CTS-A), the United Kingdom and the Republic of Ireland (collectively CTS-EU). CTS's strategy is to:

- Build on its Australian leadership position in trustee services for fund managers.
- Accelerate growth in its corporate trust business.

Trustee & Wealth Services (TWS) – provides a range of Private Client and Philanthropic Trustee Services including estate planning and management, charitable, compensation, community and personal trust services, and wealth management and advice. TWS operates within Australia, with a strategy to:

- Achieve a leadership position in additional states and more lines of business.
- Build on its strong presence in the not-for-profit market.
- Utilise technology to provide an enhanced client experience.

From 30 November 2022, TWS also includes the large majority of the business activities acquired as part of the Australian Executor Trustees Limited (AET) acquisition.

Superannuation Trustee Services (STS) – provides independent, outsourced Superannuation Trustee Services for corporate and retail superannuation funds. STS operates within Australia, with a strategy to:

- Achieve further scale by securing trustee appointments to large funds.
- Capitalise on industry and ownership changes to facilitate new appointments.

From 30 November 2022, STS also includes the Small APRA Fund (SAF) trustee activities acquired as part of the AET acquisition.

Group revenues are predominantly earned from fees charged on assets under supervision, management, administration or advice. Revenues are influenced by net client asset flows and changes in underlying asset values. Client relationships and contracts are mainly long-term in nature, with the operating model typically providing relatively enduring revenue streams with leverage to movement in asset values.

ACQUISITION OF AUSTRALIAN EXECUTOR TRUSTEES LIMITED

On 22 August 2022 the Group announced the acquisition of Australian Executor Trustees Limited (AET), from Insignia Financial Limited (ASX: IFL). Following a well-supported capital raising process, the acquisition completed on 30 November 2022. Some of the key attributes of the AET business are as follows:

- Founded in 1879.
- Headquartered in South Australia, with significant operations in South Australia and Western Australia, and to a lesser extent in Queensland, Victoria and New South Wales.
- FY22 revenues of $38.1m.
- Approximately 180 staff.
- A particularly strong presence in Health & Personal Injury (HAPI) and Community Trust services.

AET represents a highly complementary acquisition for Equity Trustees. AET adds scale in the Group's core TWS business lines and enhances the Group's geographical footprint across the country. The Group's key strategic priorities relating to the AET business are:

- Complete the integration of the AET business with the existing TWS business (anticipated to take up to two years from the acquisition date).
- Realise anticipated expense and revenue synergies (progressively throughout integration period).
- Complete the previously advised restructure of the Platform Business (within the first 12-18 months of ownership).

OPERATING RESULTS

T1 IMPROVING CLIENT SATISFACTION

MEASURES

- Net Promoter Score (NPS): The likelihood of clients recommending Equity Trustees.
- Net Loyalty Score (NLS): The likelihood of buying another product or service from Equity Trustees.

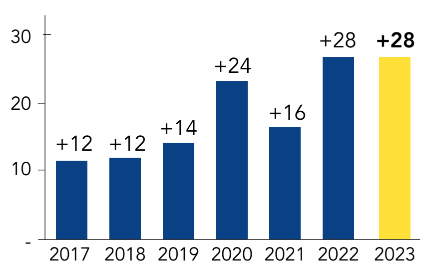
UPDATE AS AT 30 JUNE 2023

This year's annual Client Satisfaction Survey (CSAT) held our position on the three key group-wide measures.

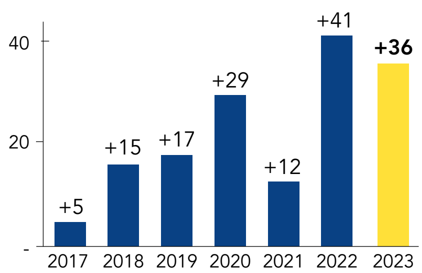
- Net Promoter Score has held at +28.
- Net Loyalty Score has decreased slightly to +36.

Satisfaction rating (SAT) continues to hover around 80% satisfaction – this year it has gone from 83% to 79%.

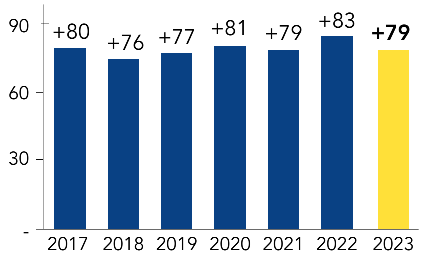
NPS



NLS



SAT



COMMENTARY

The Group's first target relates to client satisfaction. The Group recognises the importance of trust in the relationship between client and company. As Australia's leading specialist trustee company, we are committed to acting in the best interests of our clients.

The Group measures the strength of its trusted relationships with clients with reference to client satisfaction surveys. Net promoter and net loyalty scores are specifically measured, widely accepted approaches to measuring client satisfaction. The NPS and NLS scores were most recently measured in April 2023. Pleasingly, both scores have remained very positive.

With the integration of AET still in the early stages at the time of the CSAT, we did not include AET clients and referrers for each of the product areas in this survey. However, some indicative comparative data was gathered and included to inform the 2024 survey, when they will be included.

Some notable aspects of the 7th survey include:

- Scores remain high against benchmark data of industry peers and products, including where there have been slight declines in overall measures in some product areas.
- Stand out areas which saw improvements in this survey were Estate Management, Estate Planning, Continuing Trusts, Advice and Community (Native Title) Trusts. Good results were also achieved in Tax, Investment Mandates and Superannuation Trustee Services.
- The clear leverage points for increasing client satisfaction remains around customised calibration of communication and management of client relationships. Our activities in this regard will focus on Estate Management, Continuing Trusts and Active Philanthropy clients in the period ahead.
- Electronic and email communications have increased as the preference for all clients – which is consistent with our group-wide focus on technology and access to information and service via portals and platforms.
- Brand attributes continue to show that our strongest is trusted, followed by supportive, professional and reliable.

T2 LIFTING EMPLOYEE ENGAGEMENT

MEASURES

Each year, Equity Trustees conducts an employee engagement survey looking at two measures: employee engagement and employee enablement. Employee engagement is the 'want to' of work and refers to having committed and loyal employees who are willing to go the extra mile. Employee enablement is the 'can do' of work and is about having the right people in the right roles, in an enabling work environment.

Together, these measures produce engaged performance and lead to operational excellence, client loyalty, strong financial performance, a trusted employer brand and the ability to attract and retain talent.

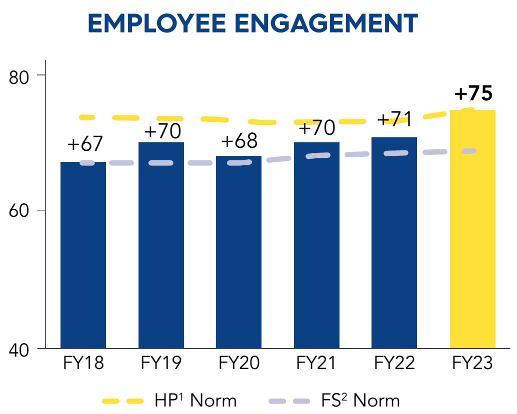
ENGAGED PERFORMANCE AS AT 30 JUNE 2023

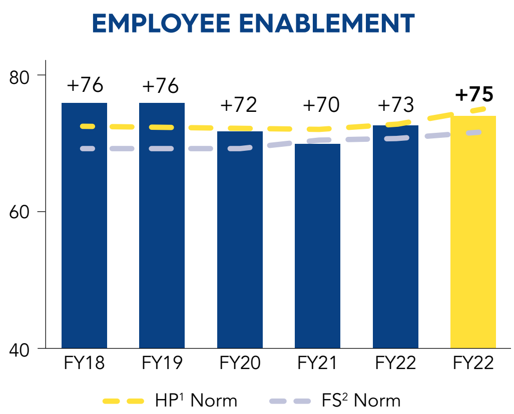
Equity Trustees increased its strong levels of employee engagement (75%) and enablement (75%). We are very pleased with these results, which are above the Financial Services Industry norm in both measures and above the High Performing norm in engagement.

Our survey results for the 2023 year exclude newly joined employees from AET. Employees from AET were also surveyed and with their results, the group still remains very solid results of 70% and 74% respectively.

Some of the initiatives introduced in FY23 which helped produce these excellent results were:

- We onboarded and inducted the AET team ensuring a smooth transition to Equity Trustees.
- We recruited key senior leaders and great talent across the business.
- We introduced and implemented People Leader Training for all new managers.
- We developed and introduced the *Triple A Development program*, three development pathways, *Accelerate*, *Advance* and *Amplify*, to offer individuals the opportunity to build their interpersonal, collaborative and leadership capabilities.
- We have committed to the professional and personal development of all employees by introducing LinkedIn Learning.
- We have enhanced our Parental Leave Policy and have evolved our Hybrid Work policy.
- We have introduced a new salary survey, Financial Industry Remuneration Group for remuneration benchmarking, increasing the transparency of remuneration benchmarking process for leaders.





[1]HP: The High Performing Norm shows the average survey scores from over 700,000 employees in 55 high performing organisations, which are defined as those organisations that exceed their industry peer group on the majority of financial key performance indicators, and meet a minimum threshold on employee engagement and enablement.

[2]FS: The Financial Services Norm is based on average survey scores from over 140,000 employees in 65 organisations operating in the Financial Services Industry.

NEXT STEPS

We have developed a 2023/24 Employee Engagement Action Plan to help the Group reach our aspiration of achieving a high-performing level of engagement and enablement.

T3 GROWING SHAREHOLDER VALUE

KEY MEASURES

- Net Profit Before Tax.
- Earnings per share.
- Dividends.
- Growth in funds under management, administration, advice, and supervision (FUMAS).

UPDATE AS AT 30 JUNE 2023

Refer to the Group Financial Performance section of this *Directors' Report*.

T4 DEEPENING COMMUNITY IMPACT

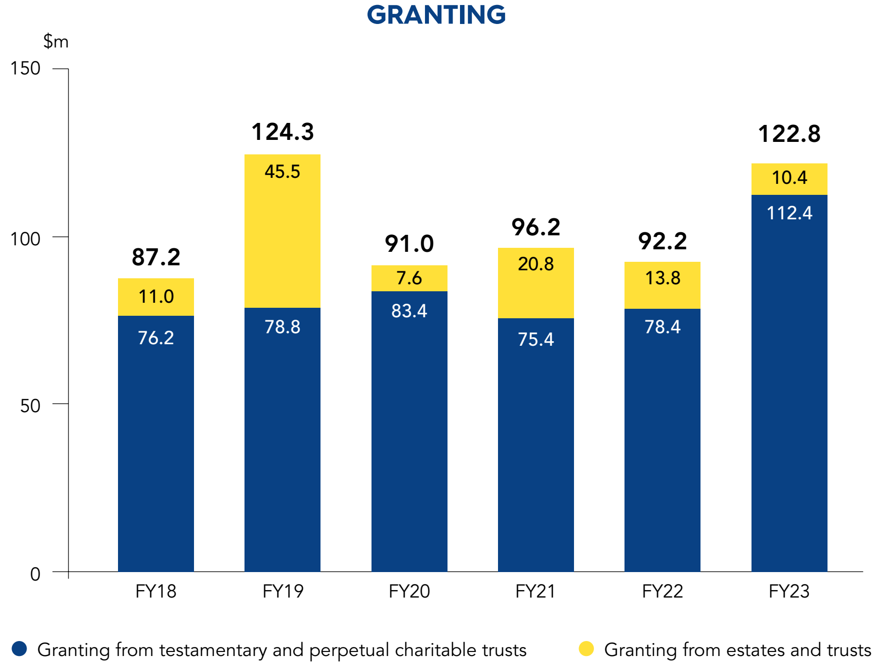
MEASURES

- The value and impact of grants distributed.
- Employee volunteering, workplace giving, and other employee-related community impact initiatives.

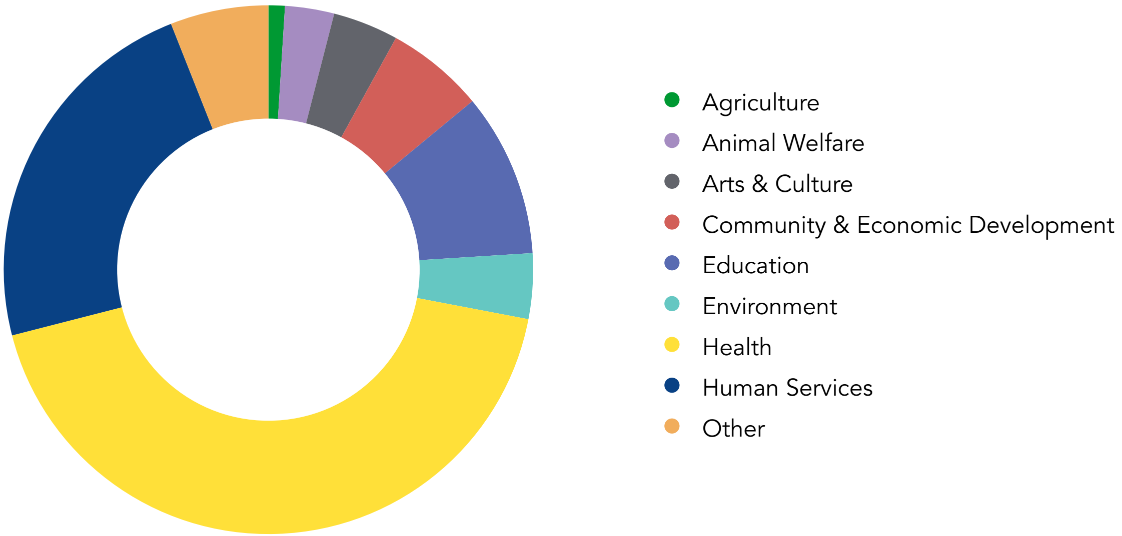
UPDATE AS AT 30 JUNE 2023

For the 30 June 2023 financial year, the Group supported the granting of $122.8m across 5,100 individual grants for charitable purposes. Included within this amount is $10.4m of one-off bequests. Our regular annual granting of $112.4m is above the prior corresponding period of $78.4m, and in the current year includes granting from AET related philanthropic vehicles.

GRANTING



CHARITABLE TRUSTS BY CAUSE AREA



COMMENTARY

The T4 target relates to the Group's activities deepening community impact. The Group undertakes several roles relating to philanthropy, including:

- Acting as trustee or co-trustee for Perpetual Charitable Trusts and other structured giving vehicles.
- Granting support and administration services to philanthropic individuals and organisations.
- Investment management of funds in philanthropic trusts as well as not-for-profit organisations.
- Continuing to act as a trustee to two specialist trusts in a bid to capture and distribute key funding to areas impacted by the 2019-2020 Black Summer bushfires.

The Group is proud to support the philanthropic pursuits of our clients, including those who practice philanthropy through their lifetimes and those who have left lasting philanthropic legacies.

Some of the key initiatives undertaken during the past year that demonstrate how we are continuing to deepen our impact are:

- We published our fifth *Annual Giving Review*, celebrating the distribution of over $500m into the community over the last five years. The report looked to the work of Trusts and Foundations managed by EQT and their support of community partners paving the way for social change.
- We released our third *Snapshot* publication, highlighting the work we do supporting First Nations Communities through our Trustee and philanthropic program, as well as our corporate commitment to reconciliation, through our *Reconciliation Action Plan*.
- We continue to work with for-purpose organisations and thought leaders to build an impact measurement framework to help us improve the work we are doing. By understanding what's going well, and learning from what's not, we can take steps to better serve the people and causes we support via our role as a funder and partner.
- We support the charitable interests of our staff by providing volunteer leave and donation-matching through the Group Workplace Giving Program. In the current year, our staff contributed 444 hours to volunteering in our community.

GROUP FINANCIAL PERFORMANCE

SUMMARY FINANCIAL RESULTS AND VALUE CREATION MEASURES

FINANCIAL SUMMARY	FY23 $'000	FY22 $'000
Revenue	**141,366**	111,513
Total expenses	**(110,514)**	(74,310)
Net Profit Before Tax (NPBT)	**30,852**	37,203
Reconciliation to Underlying NPBT (UNPBT)[1]		
Major technology systems replacement costs	**1,264**	-
AET acquisition and integration costs[2]	**8,570**	-
Other M&A project costs	**-**	184
Impairment of investment in CTS-EU[2]	**2,316**	-
Underlying NPBT	**43,002**	37,387
Net Profit After Tax (NPAT)	**17,317**	22,669
Loss attributable to non-controlling interest	**(1,516)**	(1,559)
NPAT attributable to equity holders of the Company	**18,833**	24,228
Reconciliation to Underlying NPAT (UNPAT)[1]		
Major technology systems replacement costs	**885**	-
AET acquisition and integration costs[2]	**7,147**	-
Other M&A project costs	**-**	183
Impairment of investment in CTS-EU[2]	**2,270**	-
Settlement of ATO dispute	**-**	-
Underlying NPAT	**29,135**	24,411
VALUE CREATION MEASURES		
Earnings Per Share (EPS) (cents)[3, 4]	**73.94**	113.94
Underlying Earnings Per Share (EPS) (cents)[3, 4]	**114.38**	114.80
Dividends per share (cents) (paid and proposed)	**99**	97
Return on equity using NPAT	**4.3%**	8.1%
FUMAS ($b)	**160.1**	148.9

[1]Underlying net profit after tax (UNPAT) excludes significant items. For FY23, adjustments have been made to reflect acquisition and integration costs associated with the acquisition of Australian Executor Trustees Limited (AET), including costs associated with the equity capital raise; other major technology systems replacement costs, and the write-down of goodwill, management rights, right-of-use assets and furniture and equipment associated with the Group's CTS-EU cash generating unit. For FY22, adjustments relate to M&A costs incurred during the period. For FY21, adjustments relate to a settlement reached with the Australian Taxation Office (ATO) in relation to a disputed rights to future income (RTFI) deduction on an acquisition that occurred in 2010, as well as for M&A project costs during the FY21 year for M&A activity that ultimately did not proceed.

[2]Certain acquisition costs associated with the AET acquisition, and the impairment of the Group's investment in CTS-EU have differing tax treatments and are not fully deductible in the year in which they are incurred.

[3]The weighted average shares on issue during the period of 25,471,643 (year ended 30 June 2022: 21,263,918).

[4]Earnings per share for the prior periods shown have been adjusted to reflect the rights issue in August/September 2022.

FY21 $'000	FY23 v FY22 $'000	FY23 v FY22 %	FY23 v FY21 $'000	FY23 v FY21 %
101,040	29,853	26.8%	40,326	39.9%
(70,729)	(36,204)	(48.7%)	(39,785)	(56.2%)
30,311	(6,351)	(17.1%)	541	1.8%
-				
-				
1,827				
-				
32,138	5,615	15.0%	10,864	33.8%
20,508	(5,352)	(23.6%)	(3,191)	(15.6%)
(1,020)	43	2.8%	(496)	(48.6%)
21,528	(5,395)	(22.3%)	(2,695)	(12.5%)
-				
-				
1,717				
-				
(846)				
22,399	4,724	19.4%	6,736	30.1%
102.03	(40.00)	(35.1%)	(28.09)	(27.5%)
106.16	(0.42)	(0.4%)	8.22	7.7%
91	2	2.1%	8	8.8%
7.5%	(3.8%)	N/A	(3.2%)	N/A
144.2	11.2	7.5%	15.9	11.0%

The Directors of Equity Trustees are pleased to present the results of the Group for the year ended 30 June 2023. The key themes for the results for the year are:

- Strong revenue growth in TWS and STS with steady performance in CTS.
- A seven-month contribution associated with the acquisition of AET also favourably contributing to TWS and STS.
- A relatively subdued contribution to revenue growth from local and global investment markets.
- Group expenses up reflecting the filling of vacant roles, major technology systems replacement costs and acquisition and integration costs.
- FUMAS up 7.5% to $160.1b, a record year end position.
- Continuing strong results from client satisfaction and employee engagement.
- Continued growth in dividends for shareholders.

The above table describes the key financial performance and financial value creation metrics of the Group for the year ended 30 June 2023. Of particular focus are net profit before tax (NPBT), earnings per share, dividends and funds under management, administration, advice and supervision (FUMAS). Underlying NPBT (UNPBT) and underlying net profit after tax (UNPAT) are also included in the above table to provide a comparative view of operating performance excluding costs associated with the acquisition and integration of AET, major technology systems replacement costs, and the impairment of CTS-EU. Underlying measures adopted in this report are included to provide a clearer sense of the operating performance of the Group and its key lines of business.

NPBT of $30.9m was down 17.1% on the prior year, while net profit after tax (NPAT) was down 22.3% on the prior year. These measures reflect the Group's statutory performance for the year and include all of the significant costs described in the above paragraph.

UNPBT for the year was $43.0m, while UNPAT was $29.1m. Relative to FY22, UNPBT was up 15.0%, and UNPAT was up 19.4%. The significant difference between the Group's underlying and statutory result is driven largely by three key initiatives:

Acquisition and Integration of AET

On 30 November the Group completed its acquisition of Australian Executor Trustees Limited from Insignia Financial Limited (IFL). The Group funded the $135m purchase price through a combination of an equity capital raising ($125m), and utilisation of a portion of a $40m extension to its existing borrowing facilities.

AET has contributed well to the operating performance of the Group since acquisition and is highly complementary to the Group's existing TWS business. As planned, significant costs have and will be incurred in the acquisition and integration of this business. It is anticipated that it will take up to two years (from the date of acquisition) to fully integrate AET into the Group. The planned integration activity includes a full technology migration for AET into a combination of both current and new systems being deployed to TWS. Other integration initiatives include the anticipated restructuring of the AET Platforms business (along with its associated costs), which was originally announced by EQT at the time of acquisition.

Major Technology Systems Replacement Costs

Notwithstanding the significant technology transformation underway for TWS and AET, the Group has a number of other key systems replacement projects underway. These include the replacement of the Group's finance and HR systems, an operating model review and business process transformation for CTS, and the deployment of and further enhancements to the trustee oversight and reporting platform implemented in STS.

While some level of technology expenditure inevitably occurs each year, these costs are elevated in the current year, noting that they relate to important business systems that are costly to change and are generally replaced infrequently.

It is anticipated that this elevated spend will materially reduce, and the Group will benefit, in terms of increased productivity, an enhanced client proposition, and overall quality of service, in the years ahead.

Impairment of CTS-EU

On 14 August 2023, the Group announced that it had made a strategic decision to exit from its UK and Ireland businesses (referred to herein as CTS-EU). The decision follows an evaluation of CTS-EU's performance since acquisition in late 2017, and an assessment of the business pipeline, market, operating environment and anticipated required future investment by the Group. The method of exit (for instance, via sale or wind-up) is yet to be finalised, but it is anticipated that this process will be completed over the next 6-12 months.

Notwithstanding that the exit is yet to occur, giving regard to the performance of CTS-EU and an evaluation of the prospects of recovery, the Group has determined to write-down (impair) the value of goodwill, management rights, right-of-use assets and furniture and equipment associated with this business. Following the impairment there is no residual goodwill, management rights, right-of-use assets and furniture and equipment attributable to CTS-EU on the Group's balance sheet.

Operating performance, considered at both the UNPBT and UNPAT level, was strong, and reflects:

- Good organic growth in TWS and STS, with the added contribution of AET from 1 December 2022.
- Improved dividend distribution revenue in TWS due to generally higher dividend yields over the past 12 months.
- A relatively subdued contribution to revenue growth from local and global investment markets.
- Offset by group expenses, up on the prior year and reflecting the filling of vacant roles (and the associated hiring costs), increases to legal and consulting spend, and some increases to premises and other technology costs.

REVENUE

The main driver of Group revenue is the value of funds under management, administration and supervision (FUMAS), as fees are typically charged as a percentage of FUMAS. The value of FUMAS is influenced by the level of the Australian and global equity markets along with net organic growth.

The TWS Private Client revenue is 60%-70% linked to markets, as measured by the average daily performance of the ASX 200 Index. The Corporate Trustee Services revenue is 40%-50% linked to markets, as primarily measured by the performance of the average daily MSCI All-World Index. The Superannuation Trustee Services business has lower leverage to markets, at 20%-30% of the performance of the average daily ASX 200 Index, as its business model has a higher proportion of fixed fees.

For the year ending 30 June 2023, FUMAS was up 7.5% to $160.1b. This was a solid achievement in a year in which rising inflation, interest rates, and continued geo-political challenges, have contributed to market volatility, and largely reflects the addition of FUMAS associated with AET, new client wins in Superannuation Trustee Services, and a steady contribution from Corporate Trustee Services. In the current year, equity markets have generally had a slightly negative impact on FUMAS levels. The average daily level of the ASX 200 in FY23 was approximately 2.9% lower when compared to FY22, and the MSCI All-World Index was approximately 3.5% lower compared with FY22.

Total revenue and other income for FY23 of $141.4m was up 26.8% on the prior year reflecting a seven-month contribution of AET revenues, and good organic growth in TWS and STS. Dividend distribution revenue flowing from higher investment market dividend yields has continued to improve over the year, as has the return on the Group's cash holdings following a significant number of interest rate rises over the past 12 months.

EXPENSES

Total expenses for the year were up 48.7% on FY22 to $110.5m. Total expenses include both operating and non-operating expenses. During the period, the Group incurred $12.2m of non-operating costs (the activities relating to these costs are described at the beginning of this section). Excluding these non-operating costs, expenses were up 32.7%, or $24.2m. This increase in operating expenses is driven by:

- Filling of vacancies across the business, higher replacement costs for departed staff and in general, increased pressure on wage related costs associated with market factors.
- A seven-month contribution of operating expenses relating to AET, which included the transfer of approximately 180 staff to the Group.
- Inflation impacting costs across most Group expense lines.

Non-AET related people investments during the period have centred around creating needed capacity to:

- Support new business growth in TWS, STS and CTS.
- Create capacity in support units to service what is, following the AET acquisition, a significantly larger business.

The Group's footprint has grown substantially over the past 12 months with the fit-out and opening of two new permanent offices for the Group in Brisbane and Perth, plus the addition of AET's headquarters in Adelaide. While these new locations have an up-front cost, they also provide an improved working environment for our local staff and an enhanced client experience for our clients in these locations.

MARGINS

The Group's EBITDA margin, calculated as earnings before interest, tax, depreciation and amortisation, divided by total revenue, has declined to 27.6% compared with 39.4% for FY22. On an underlying basis the decline in EBITDA margin is more modest, down from 39.6% to 36.2%.

The Group's NPBT margin has similarly declined to 21.8% in FY23 from 33.4% in FY22, and on an underlying basis from 33.5% to 30.4%. Declines in underlying margins are predominantly a result of people increases necessary to facilitate new business growth, keep pace with changing regulatory requirements and maintain the Group's high standards of trustee governance. These declines are most pronounced in the CTS business unit, but are also relevant to other business units, to a lesser extent.

	FY23	FY22	FY21	FY23 v FY22	FY23 v FY21
EBITDA margin	**27.6%**	39.4%	36.7%	(11.8%)	(9.1%)
Underlying EBITDA margin	**36.2%**	39.6%	38.5%	(3.4%)	(2.3%)
NPBT margin	**21.8%**	33.4%	30.0%	(11.6%)	(8.2%)
Underlying NPBT margin	**30.4%**	33.5%	31.8%	(3.1%)	(1.4%)

SHAREHOLDER RETURNS AND DIVIDENDS

SHAREHOLDER RETURNS FOR THE PERIOD	FY23	FY22	FY21	FY23 v FY22 %	FY23 v FY21 %
Earnings Per Share on NPAT (cents)[1]	**73.94**	113.94	102.03	(35.1%)	(27.5%)
Earnings Per Share (EPS) on Underlying NPAT (cents)[1]	**114.38**	114.80	106.16	(0.4%)	7.7%
Annualised ROE on NPAT (%)	**4.3**	8.1	7.5	(46.9%)	(42.5%)
Dividends for the period					
Fully franked dividends paid/payable ($'000)	**26,203**	23,025	19,065	13.8%	37.4%
Fully franked dividends per ordinary share (cents)	**99**	97	91	2.1%	8.8%
Dividend payout ratio (%)	**133.9**	85.1	89.2	57.3%	50.1%
Underlying dividend payout ratio (%)	**86.6**	84.5	85.7	2.5%	1.1%

[1]Earnings per share for the prior periods shown have been restated to reflect the rights issue in August/September 2022.

EARNINGS PER SHARE

The statutory earnings per share for FY23 was 73.94 cents, a 35.1% decrease on the 113.94 cents per share for FY22. Underlying earnings per share for FY23 was 114.38 cents per share, down 0.4% on 114.80 cents per share for FY22. The key adjustments between statutory and underlying earnings per share are the same as for UNPBT and UNPAT.

The weighted average shares on issue during the period of 25,471,643, increased significantly over the prior year (year ended 30 June 2022: 21,263,918) following the equity capital raise to facilitate the AET acquisition. Weighted average shares have also increased due to:

- Participation in the Dividend Reinvestment Plan (DRP) in relation to the 2022 final and 2023 interim dividends; and
- Participation in employee share acquisition plans, share-based remuneration and salary sacrifice share schemes.

DIVIDENDS

Subsequent to 30 June 2023, the Directors determined to pay a fully franked final dividend of 50 cents per share bringing the total dividends paid/payable for the year to 99 cents.

During the year, a fully franked dividend of 49 cents per share was paid to ordinary shareholders of the Company in respect of the half-year ended 31 December 2022.

The combined interim and final dividends represent a dividend payout ratio of 133.9% on a statutory basis, or 86.6% on an underlying basis. The underlying dividend payout ratio is comfortably within the Group's policy range.

The Dividend Reinvestment Plan will continue operating for the 2023 final dividend, with a 1.25% discount. The 2023 final dividend will be fully franked and payable on 9 October 2023.

GROUP FINANCIAL POSITION

SUMMARY CONSOLIDATED BALANCE SHEET

AS AT 30 JUNE	FY23 $'000	FY22 $'000
Assets		
Cash and cash equivalents – corporate	**86,490**	77,311
Cash and cash equivalents – ORFR[1]-related	**13,200**	31,005
Trade receivables and accrued income	**47,634**	30,852
Goodwill and intangible assets	**330,542**	205,249
Other assets (including managed fund investments)	**34,048**	26,733
Total Assets	**511,914**	371,150
Liabilities		
Trade payables and other current liabilities	**22,722**	16,560
Borrowings – corporate	**37,207**	10,046
Borrowings – ORFR[1]-related	**13,412**	31,013
Other non-current liabilities	**39,043**	32,196
Total Liabilities	**112,384**	**89,815**
Equity		
Issued capital	**384,336**	257,558
Reserves	**2,518**	2,028
Retained earnings	**18,532**	25,688
Total Equity Attributable to Owners of the Company	**405,386**	**285,274**
Non-Controlling Interest	**(5,856)**	**(3,939)**
Total Equity	**399,530**	**281,335**

[1]Operational risk financial requirements are an APRA prudential requirement for Superannuation Funds. Refer to the below section for further information.

BALANCE SHEET ANALYSIS

LIQUIDITY

The Group manages liquidity risk by:

- Preparing regular cash flow forecasts and reviewing and challenging them with management.
- Ensuring healthy liquidity buffers are available for regulatory capital and other purposes in each of the operating entities.
- Maintaining a committed credit facility with significant capacity.
- Engaging regularly with debt providers.

In FY23, cash and cash equivalents – corporate increased from $77.3m to $86.5m. During the same period corporate borrowings have increased from $10.0m to $37.2m. Borrowings have been utilised to partially fund the acquisition and integration activities associated with the AET business.

BORROWINGS – CORPORATE

The Group has $43m of committed undrawn borrowing capacity across two $40m facilities with ANZ Bank. One of these facilities relates to general corporate purposes, while the other relates to the AET acquisition and integration.

Both facilities are unsecured and subject to the Group meeting certain financial covenants including minimum net tangible assets (NTA), a maximum ratio of gross debt to EBITDA and a minimum interest cover. The Group complied with all financial covenants during the period.

BORROWINGS – ORFR FACILITY LOANS

ORFR RELATED ASSETS AND LIABILITIES	FY23 $'000	FY22 $'000
Assets		
Cash and cash equivalents	**13,200**	31,005
Liabilities		
Borrowings – principal	**13,200**	31,005
Borrowings – accrued interest	**212**	8
	13,412	31,013

The Group enters into borrowing arrangements in relation to certain superannuation trustee activities. Some superannuation funds are configured such that some or all of the Operational Risk Financial Requirements (ORFR, a superannuation prudential requirement) are held on the superannuation trustee balance sheets as Tier 1 Common Equity, rather than within the superannuation funds themselves. Where it has been determined that an ORFR will be met via capital held on the trustee balance sheet, the Group enters into special purpose, limited recourse borrowing arrangements (referred to herein as ORFR facility loans) to fund these requirements and appropriately capitalise the respective trustee entities.

The ORFR facility loans have decreased during the current period, following repayment of the facilities with Hub24 and Aracon. ORFR facility loans have differing maturities of between three and five years, and the arrangements provide for the replenishment of ORFR amounts in the case of an operational event resulting in a deduction to the reserves. Amounts borrowed are held as segregated cash in the respective trustee entities, the obligations are fully cash-backed, and the net interest cost is effectively neutral to Equity Trustees.

NET ASSETS AND NET TANGIBLE ASSETS

Overall, the Group's financial position has strengthened during the financial year. At 30 June 2023, net assets increased to $399.5m, up 42.0% from $281.3m at 30 June 2022. The key driver of balance sheet growth was the acquisition of AET, which has contributed management right intangible assets of $70.8m, and goodwill of $55.6m.

Net tangible asset backing per share has decreased by 31.9% to $2.31 from $3.39 at 30 June 2022. The calculation of NTA backing includes right of use assets recognised under AASB 16 *Leases*, relating to the Group's premises leases.

ISSUED CAPITAL

Issued capital increased by $126.78m during the year, due primarily to the equity capital raise associated with the AET acquisition ($125m before share issue costs), and the active Dividend Reinvestment Plan (DRP), with the remainder being shares issued under the Long-Term Incentive Plan, Employee Salary Sacrifice Share Plan and Employee Share Acquisition Plan.

CAPITAL MANAGEMENT

Equity Trustees' overarching capital management objectives are as follows:

- The Group must have a clear and sustainable capital structure that reflects the size of the organisation and supports the Group's core strategic goals and objectives.
- The Group seeks to maximise returns to shareholders over the medium term.
- The capital structure should provide flexibility to comfortably meet regulatory capital requirements as well as the flexibility to take advantage of future opportunities.
- Capital must be managed prudently in line with the Group's risk appetite and to enable the Group to withstand adverse events.

Equity Trustees maintains a conservative balance sheet with low gearing. The Group's debt to equity ratio (excluding ORFR facility loans and their related cash) at 30 June 2023 is 9.4% (30 June 2022: 6.3%), or 12.7% including the ORFR facility loans (30 June 2022: 14.6%).

The Group continually reviews funding options to ensure it is optimising both the use and mix of its capital to achieve its capital management objectives.

CASH FLOW

CASH FLOW ANALYSIS

The Group's capacity to generate cash continues to be strong with pre-tax operating cash flows of $28.4m for the year. This number is down on the prior year pre-tax operating cash flow of $47.2m, and in the current year includes cash outflows for M&A advisory costs associated with the AET acquisition, AET integration costs and costs associated with the major technology initiatives.

The Group's total cash and cash equivalents have decreased by $8.6m or 8.0% on the prior year. The decrease predominantly reflects the lower net operating cash inflow for the year, the drivers of which are described above and in greater detail throughout this *Directors' Report*.

The Group is required to hold a certain amount of cash and liquidity to meet regulatory capital requirements in relation to its licenced activities, a portion of which may be held in schemes managed by the Group. This can enable the Group to achieve a better than cash return on a portion of its cash holdings.

Material non-operating cash flows during the year were:

- $121.4m of cash receipts relating to the issue of new shares (net of issuance costs), followed by a $123.4m net payment for the acquisition of AET.
- Cash inflows from corporate borrowings of $27.0m, partially offset by cash outflows associated with the repayment of ORFR facilities of $17.8m. Corporate borrowings during the period have been used to fund the acquisition of AET, and the related integration activities.
- $6.1m of other cash outflows associated with lease repayments, furniture and fittings, and intangible assets.
- $22.2m of dividend payments (net of DRP of $3.6m) to shareholders.

GROUP FINANCIAL PERFORMANCE

FOR YEAR ENDED 30 JUNE	FY23 $'000	FY22 $'000
Cash from operating activities		
Receipts from customers	**145,860**	126,532
Payment to suppliers and employees	**(117,446)**	(79,341)
Operating cash flow before income tax	**28,414**	47,191
Income tax paid	**(19,558)**	(13,597)
Net cash from operating activities after income tax	**8,856**	33,594
Dividends paid in cash to members of the Company	**(22,238)**	(16,685)
Applications for managed scheme investments	**-**	(5,000)
Proceeds from issuance of equity securities	**121,432**	(25)
Net payments for acquisitions	**(123,433)**	-
Net payments for other assets	**(3,815)**	(2,273)
Proceeds from borrowings – corporate facility	**27,000**	-
(Repayment of)/proceeds from borrowings – ORFR facilities	**(17,805)**	7,755
Interest received	**3,722**	535
Other cash flows	**(2,290)**	(1,578)
Net increase in cash and cash equivalents	**(8,571)**	16,323
Cash and cash equivalents at the beginning of the financial year	**108,316**	92,175
Exchange fluctuations on foreign cash balances	**(55)**	(182)
Cash and cash equivalents at the end of the financial year	**99,690**	108,316
Managed scheme investments redeemable at short notice	**10,000**	10,000
Total liquid funds at the end of the financial year[1]	**109,690**	118,316

[1]The Group considers cash and cash equivalents and managed investment schemes redeemable at short notice to be liquid funds for the purposes of the above cash flow summary.

REVIEW OF BUSINESSES

BUSINESS UNIT PERFORMANCE – CORPORATE TRUSTEE SERVICES (CTS)

Key products and services include:

AUSTRALIA (CTS-A)

- Provides a range of global fiduciary services for managed investment schemes on behalf of local and international fund managers and sponsors, as well as specialised trustee services for debt, securitisations, custody and real estate arrangements for corporates.

UNITED KINGDOM AND IRELAND (CTS-EU)

- Authorised Corporate Director (ACD) for UK-based Open-Ended Investment Companies (OEICs), and Management Company Services to Ireland-based Alternative Investment Funds (AIFs) and Undertakings in Collective Investment Transferrable Securities (UCITS) on behalf of local and international managers and sponsors.

Revenues for CTS are grouped together as a single category of services, named fund governance and trustee services.

CTS PERFORMANCE AND KEY DRIVERS FINANCIAL PERFORMANCE	FY23 $'000	FY22 $'000	FY21 $'000	FY23 v FY22 $'000	FY23 v FY22 %	FY23 v FY21 $'000	FY23 v FY21 %
Revenue	**38,619**	38,931	33,421	(312)	(0.8%)	5,198	15.6%
Other income	**1,311**	425	154	886	208.5%	1,157	749.5%
Total revenue and other income	**39,930**	39,356	33,575	574	1.5%	6,355	18.9%
Expenses	**(28,162)**	(23,523)	(20,485)	(4,639)	(19.7%)	(7,677)	(37.5%)
Impairment of CTS-EU	**(2,316)**	-	-	(2,316)	(100.0%)	(2,316)	(100.0%)
Total expenses	**(30,478)**	(23,523)	(20,485)	(6,955)	(29.6%)	(9,993)	(48.8%)
Business unit net profit before tax	**9,452**	15,833	13,090	(6,381)	(40.3%)	(3,638)	(27.8%)
Business unit profit margin (%)	**23.7%**	40.2%	39.2%	-	(41.2%)	-	(39.3%)
GROWTH IN KEY DRIVERS							
Funds under supervision (FUS) ($b)	**99.0**	105.1	100.8	(6.1)	(5.8%)	(1.8)	(1.8%)
Funds Manager Clients							
No. Clients	**134**	132	123	2	1.5%	11	8.9%
No. Funds	**363**	354	310	9	2.5%	53	17.1%

REVENUE

CTS, which includes both the Australian (CTS-AU) and European (CTS-EU) businesses has had a relatively flat year for FY23. Revenues are broadly in line with FY22, but remain up significantly on FY21 by $5.2m or 15.6%. CTS revenues are 40%-50% linked to prevailing market levels, particularly global markets. In the current year, the contribution to revenue growth by markets was approximately -1.7% (i.e., 50% of -3.4%).

Funds under supervision (FUS) have decreased by 5.8% on FY22 reflecting relatively subdued organic growth offset by volatile equity markets, and some mandate losses within the portfolio.

CTS' new business activity has continued steadily over FY23, with a 1.5% increase in new clients relative to the PCP, and a 2.5% increase in the total number of funds operated. Most of this activity has related to CTS-A's Fund Services business.

However this elevated level of work associated with new fund openings, has been offset by higher levels of fund closures and the loss of significant mandates by some clients. The majority of new funds are on minimum fees and as they grow and achieve success this should become more apparent in revenue growth over time.

CTS-A's Custody and Debt & Securitisation Services (formerly known as Corporate Trust Services) teams continue to grow strongly with revenues up approximately 20.1% on the prior year, to $4.5m in FY23. The Debt & Securitisation Services (DSS) team and the Custody Team now have 85 appointments and supervise approximately $17.5b of assets. The teams continue to grow its service offering, capability and share of the addressable market.

EXPENSES

CTS expenses have increased by 29.6% or $7.0m on the prior year. $2.3m of this uplift relates to the impairment of goodwill, management rights, right-of-use assets and furniture and equipment associated with CTS-EU. As described elsewhere in this report, the Group anticipates that it will exit its UK and Ireland operations in the course of the next 12 months.

Other expense growth reflects necessary increases to resourcing to support the continuing high levels of both business activity and regulatory intensity across the service lines in CTS-A. Scoping for a project to redesign and reengineer key CTS business processes has continued through FY23 and is expected to materially improve productivity for the CTS business. Reprioritisation following the AET acquisition has meant that progress on this initiative has been slower than initially planned, however it is anticipated that progress will be made on this initiative during the year ahead.

OUTLOOK

The outlook for CTS is positive with strong organic client and fund growth activity. There are over 40 new funds at various stages of establishment, and this is expected to provide good momentum for the business in the period ahead. However, one particular client lost a substantial mandate in the final quarter of the FY23 year and the loss of this mandate will offset to some extent the expected strong underlying growth in CTS. Key hires made are expected to support continued growth in new fund openings in Australia, along with increased transaction activity in the Australian Custody and Debt & Securitisation business.

On 14 August 2023, the group announced its decision to exit its investments in the United Kingdom and Ireland. Several factors contributed to this decision including the regulatory environment continuing to intensify, competition increasing significantly and increased costs and pricing pressures that require continued investment. We are advanced in assessing options to determine the best exit from our investment and in discussions with various parties to facilitate this process.

Equity Trustees is ensuring its capital is invested across the group where we believe it can generate the greatest shareholder value. We remain strongly focused on offering corporate trustee services in Australia, where it is a market leader and has a long track record of creating value for stakeholders.

While equity markets remain volatile, the funds' management industry is highly innovative and new fund activity continues to be strong. Rising interest rates and downward pressure on equity markets are seeing interest in fixed income, private equity and infrastructure products continuing to grow.

Notwithstanding more volatile markets and a less certain economic outlook, government-mandated superannuation, ongoing fund innovation and a leading CTS client proposition support an encouraging outlook over the medium term.

BUSINESS UNIT PERFORMANCE – TRUSTEE & WEALTH SERVICES (TWS)

Key products and services include:

- Philanthropy services, including perpetual charitable trusts, living donors and investment management for not-for-profit organisations.
- Wealth and asset management advice and services.
- Estate planning advice and the management of deceased estates.
- Trustee administration and services including personal, compensation and community trusts.

Revenues for TWS are grouped into the following categories of services:

- Private client trustee services.
- Other services.

Within each category, services with similar performance obligations have been grouped; the basis upon which revenues are measured is also similar.

TWS PERFORMANCE AND KEY DRIVERS FINANCIAL PERFORMANCE	FY23 $'000	FY22 $'000	FY21 $'000	FY23 v FY22 $'000	FY23 v FY22 %	FY23 v FY21 $'000	FY23 v FY21 %
Private Client Trustee Services revenue	**64,676**	46,766	42,172	17,910	38.3%	22,504	53.4%
Other services revenue	**9,917**	4,203	5,102	5,714	136.0%	4,815	94.4%
Other income	**1,451**	394	154	1,057	268.3%	1,297	840.2%
Total revenue and other income	**76,044**	51,363	47,428	24,681	48.1%	28,616	60.3%
Expenses	**(50,236)**	(34,271)	(34,209)	(15,965)	(46.6%)	(16,027)	(46.9%)
Business unit net profit before tax	**25,808**	17,092	13,219	8,716	51.0%	12,589	95.2%
Business unit profit margin (%)	**33.9%**	33.3%	27.9%	-	2.0%	-	21.8%
GROWTH IN KEY DRIVERS	**FY23 $b**	**FY22 $b**	**FY21 $b**	**FY23 v FY22 $b**	**FY23 v FY22 %**	**FY23 v FY21 $b**	**FY23 v FY21 %**
Funds under management, advice, administration and supervision (FUMAS)	**16.3**	9.1	9.8	7.2	79.1%	6.5	66.3%
Philanthropy	**3.7**	2.5	2.5	1.2	48.0%	1.2	48.0%
Asset Management	**4.8**	4.3	4.6	0.5	11.6%	0.2	4.3%
Trusts & Estates	**5.8**	1.5	2.1	4.3	286.7%	3.7	176.2%
Wealth Advice	**2.0**	0.8	0.6	1.2	150.0%	1.4	233.3%

REVENUE

Equity Trustees is a leader in the provision of philanthropic, trustee executor and investment services. The TWS business unit contains the Group's foundational services and has been trusted by Australians to provide these services for over 140 years. TWS also includes the majority of the AET business acquired on 30 November 2022.

TWS revenues increased by 48.1% to $76.0m during the year. This above trend growth was attributable to a range of factors including:

- The acquisition of AET, contributing revenue of $20.2m from 30 November 2022 onwards.
- Good underlying organic growth in the core TWS lines of business, up approximately 11% when excluding AET.
- TWS is 60%-70% exposed to markets, as measured by the average daily performance of the ASX 200 index. During the FY23 year the average daily ASX 200 was down 2.9% compared to the average daily ASX 200 for the prior year, providing a slightly negative impact relative to the prior year.

FUMAS increased 79.1% to $16.3b, reflecting both the addition of FUMAS associated with AET of $7.2b, and good organic growth across other TWS lines of business.

EXPENSES

Expenses for the year were up 46.6% on the prior year. This increase also includes the majority of the AET cost-base, which accounts for approximately 41.4% of the 46.6% uplift. Other expense increases predominantly relate to filling vacant roles within TWS and AET.

OUTLOOK

The acquisition of AET has significantly enhanced the geographic footprint and scale in various lines of business for TWS. The combined TWS product offering and client proposition is materially strengthened and is expected to position the business well for improved growth in the medium term.

A substantial investment in a new TWS platform and digital solutions including client portals is underway over the next 12-18 months. This is aimed at significantly enhancing the client and employee experience, while improving operational efficiency.

The pipeline of new business activity remains healthy, with the enhanced client experience from the new digital solutions expected to further support organic growth momentum over time.

The outlook for TWS in the period ahead is positive. Higher interest rates and associated cash management returns have returned to more normal levels. Dividend distribution fees are also normalising post-pandemic as market dividend yields improve.

The fundamentals underpinning the TWS business are also supportive. We expect traditional trustee services will continue to benefit from an ageing demographic and increasing levels of intergenerational wealth transfer.

BUSINESS UNIT PERFORMANCE – SUPERANNUATION TRUSTEE SERVICES (STS)

Key products and services include:

- Superannuation Trustee Services to superannuation funds and members.

STS PERFORMANCE AND KEY DRIVERS FINANCIAL PERFORMANCE	FY23 $'000	FY22 $'000	FY21 $'000	FY23 v FY22 $'000	FY23 v FY22 %	FY23 v FY21 $'000	FY23 v FY21 %
Revenue	**22,997**	20,659	18,916	2,338	11.3%	4,081	21.6%
Other income	**2,318**	215	163	2,103	978.1%	2,155	1,319%
Total revenue and other income	**25,315**	20,874	19,079	4,441	21.3%	6,236	32.7%
Expenses	**(19,175)**	(15,564)	(13,914)	(3,611)	(23.2%)	(5,261)	(37.8%)
Business unit net profit before tax	**6,140**	5,310	5,165	830	15.6%	975	18.9%
Business unit profit margin (%)	**24.3%**	25.4%	27.1%	-	(4.7%)	-	(10.4%)
GROWTH IN KEY DRIVERS	**FY23 $b**	**FY22 $b**	**FY21 $b**	**FY23 v FY22 $b**	**FY23 v FY22 %**	**FY23 v FY21 $b**	**FY23 v FY21 %**
Funds under supervision (FUS)	**44.8**	34.7	33.6	10.1	29.1%	11.2	33.3%

REVENUE

Superannuation Trustee Services has had a strong year with revenue growth up 21.3% to $25.3m. This was primarily driven by:

- New appointments as trustee.
- The full-year effect of earlier appointments.
- Inflows to existing funds.
- A seven-month contribution from the Small APRA Fund business as part of the AET Acquisition.

Total FUS was up 29.1% to $44.8b. This figure reflected these new appointments along with net fund inflows and a small contribution from equity markets that were slightly up for the year. The STS business continues to develop in scale, capability and reputation as a partner of choice for fund promoters seeking high quality fund trusteeship and is the clear market leader for independent trusteeship.

Subsequent to 30 June, STS has been appointed as trustee for the $1.8b Future Super Fund. At 30 June, STS acts as trustee for the benefit of approximately 630,000 members.

EXPENSES

Expenses were up 23.2% to $19.2m. This increase reflects the continued investment necessary in STS to manage the growth in new business, expanding fund membership, increasing regulatory requirements and the associated governance and compliance activities for all funds.

OUTLOOK

The superannuation industry has historically seen remarkable growth underpinned by its compulsory nature and the rising rate of contributions. While these drivers will continue, there is also increasing regulatory intensity and scrutiny, along with significant pressure on fees across the industry.

STS is Australia's leading specialist, independent superannuation trustee, and its unconflicted, specialist proposition is seeing increasing interest from a variety of participants across the industry. The pipeline of new opportunities remains healthy, although long lead times are typically required for due diligence and to finalise appointments, and the regulatory load is expected to continue to increase.

None-the-less, there is a substantial market opportunity and STS is the leading independent superannuation trustee with considerable capability and is well placed to significantly grow its business in the medium term.

BUSINESS RISKS

The primary risks facing the EQT Group relate to the appropriate execution of our fiduciary responsibilities in the various contexts in which we act. Central to this is ensuring the interests of our investors, members and beneficiaries are put before all other interests. Failure to do so may lead to financial loss but much more damaging will be the reputational impact and erosion of trust and confidence that is at the heart of the Trustee role and the success of Equity Trustees' business.

The contexts in which we act can be complex. These typically involve the application of judgement, within the bounds of the governing documents, while balancing the needs of investors, members or beneficiaries, both current and future. As a result, there are times when the decisions made may be unpopular for some beneficiaries today. This is an inherent part of the role, but can increase the potential for reputational risk.

To ensure the application of trustee judgement in a considered and consistent manner requires strong governance processes, which are at the heart of Equity Trustees operating model. A core element of these governance processes is the Risk Management Framework (RMF), comprising the totality of systems, processes, structures, polices and people involved in identifying, assessing, mitigating and monitoring risks. The key elements of the RMF are set out below.

RISK AND COMPLIANCE CULTURE

Our Risk Culture is the system of values and behaviours that supports good risk and compliance management and determines our collective ability and commitment to identify, understand, openly discuss and act on our current, emerging and future risks and obligations whilst operating consistently within our Risk Appetite.

The Group strives to foster a Risk Culture aligned to its Values:

- We make risk-informed decisions in line with our risk appetite (Trusted).
- Everyone feels safe to raise issues and incidents and ask for help if they don't know (Trusted and Empowering).
- We are accountable and identify, address and learn from breaches and incidents rather than hiding them (Accountable).
- We are pragmatic in our approach to identifying and managing risk rather than ticking a box (Accountable).

SUPPORT AND MONITORING OF THE RISK CULTURE

The EQT Group assesses and monitors its Risk Culture through:

- An annual Risk Culture Survey.
- Key Risk Indicator monitoring and reporting to Management and Board Committees.
- The development of a range of governance, risk and compliance frameworks, policies and procedures that clearly define risk and compliance responsibilities and expectations.
- Ongoing mandatory compliance training.
- Several governance committees to oversee risk and compliance matters and practices.

THREE LINES OF DEFENCE

Equity Trustees operates the three lines of defence governance model to ensure clear accountability and responsibility for governance, risk management and compliance. The model ensures appropriate structures are in place for:

- Taking and managing risk.
- Meeting compliance obligations.
- Provision of advice accompanied by challenge and oversight in the risk management process.
- Assurance in control design and operating effectiveness.

The three lines of defence also have independent reporting lines running through Executive Management and into Group Boards and Sub-Committees, with unfettered access to Directors to ensure appropriate checks and balances are built into our operating model.

EQT GROUP BOARDS
Business Strategy, Risk Culture and Risk Appetite

Board Risk (and Compliance) Committees | Board Audit Committees

Management Risk and Compliance Committee

1ST LINE OF DEFENCE OWNERSHIP	2ND LINE OF DEFENCE OVERSIGHT, MONITOR & SUPPORT	3RD LINE OF DEFENCE INDEPENDENT ASSURANCE
BUSINESS OPERATIONS	**ENTERPRISE RISK TEAM**	**INTERNAL AUDIT**
• Risk and compliance ownership • Identify and assess risks • Own and operate controls • Day to day responsibility • Ongoing testing • Incident and complaints management	• Risk and compliance advice • Risk and compliance policies and frameworks • Independent oversight of 1st Line • Incident review and reporting • Report trends and themes	• Independent assurance to the Board in relation to the internal control environment • Assurance over 1st and 2nd Lines activities

BUSINESS RISKS

Following the lifting of state and territory COVID workplace restrictions early in 2022 EQT has successfully continued its operations in a hybrid working environment in FY23 with greater flexibility for staff balanced with ensuring quality service to clients and appropriate discharge of our obligations to clients, members, investors and beneficiaries of our trusts and funds. It is anticipated elements of this flexibility will continue to be a feature of EQT's future operating environment which has helped build resilience into our operating model and ensured our employee proposition continues to be attractive.

As described above the primary risk for a trustee is the appropriate execution of our fiduciary responsibilities. Significant management attention is focussed on ensuring that complex operational issues, that may occur from time to time, within the funds, schemes and trusts for which we are responsible, are navigated in the best interests of our investors, members and beneficiaries. Beyond this the major risks navigated by the business during the course of the financial year have centred on:

1) Ensuring the operational and cultural integration of the AET business into the Group post completion of the acquisition on 30 November 2022.
2) Consideration of options to improve the performance of the UK and Ireland business.
3) Managing and responding to increasing regulatory demands.
4) Ensuring our information management and cyber security controls continue to keep pace in a rapidly evolving environment.

EQT strives to both recognise the risks within the business early and ensure they are managed in a structured and systematic manner within the Board's risk appetite. This includes taking risk in a considered manner where we believe the opportunity presents for appropriate return. We continue to invest in our people, systems and processes to evolve and mature our risk management practice.

REGULATORY DEVELOPMENTS

FY23 has seen a significant body of regulatory reform introduced or telegraphed along with the ongoing elevation of supervisory intensity by the regulators. The regulatory reform includes:

- Changes to APRA's SPS530 – Investment Governance.
- The introduction of APRA's CPS511 – Remuneration (and the pending Financial Accountability Regime).
- The introduction of APRA's CPS230 – Operational Risk Management.
- The introduction of APRA's CPS190 – Recovery and Exit Planning.
- Privacy Legislation Amendment (Enforcement and Other Measures) 2022.
- The introduction of mandatory ESG reporting in Europe, with Australia soon to follow suit.

APRA and ASIC's supervisory priorities are focused on:

- Improving member outcomes, reducing unacceptable underperformance in the annual performance test and addressing substandard practices.
- Examining trustees implementation of the Retirement Incomes Covenant.
- Improved cyber and operational resilience.
- Poor design, pricing and distribution of financial products.
- Misleading conduct in relation to sustainable finance including greenwashing.
- Misconduct in the superannuation sector.
- Misleading and deceptive conduct relating to the marketing of managed investment schemes.

Given the scale and nature of EQT's business, typically the majority of industry thematic review activities undertaken by the regulators will include EQT. While Equity Trustees is supportive of measures designed to improve governance, and the outcomes for members, investors and beneficiaries, the reforms represent a complex and substantial body of work. The body of work is a significant impost that leads to higher industry costs to be borne by clients and shareholders.

KEY RISKS

Key risks faced by the Group are categorised with reference to the Group's risk management framework (RMF), as follows::

RISK CATEGORY	DESCRIPTION	KEY CONTROLS AND MITIGANTS
Strategic	There is a risk that the assumptions underlying the Group's strategic decisions are (or prove to be) incorrect or that the conditions underpinning those decisions may change. Also, one or more of the Group's strategic initiatives may prove to be too difficult or costly to execute. Opportunities that are pursued may change the Group's risk profile and/ or capital structure.	• Articulated Group strategy. • Regular reviews of the Group's business model. • Executive KPIs aligned to Group strategic objectives. • Dedicated business development and referral channels. • Review of the risk profile following new or changed strategic initiatives.
Operational	Operational risks are a core component of doing business, arising from the day-to-day operational activities of the Group as well as projects and business change activities. A substantial operational risk event may give rise to losses, including financial losses, fines, penalties, personal injuries, reputational damage, loss of market share, theft of property, customer redress and litigation.	• Detailed policies and procedures. • Defined roles and responsibilities for staff. • Information security policy and Group privacy framework. • Incident and breach management policy. • Business continuity management policy and annual testing program. • A Group controls-monitoring program, which includes quarterly attestations from external service providers, and targeted testing.
Financial	Financial risks encompass liquidity, foreign exchange, interest rate, credit and balance sheet management risks, which, if not managed well, could have a significant adverse impact on the Group. Financial risks also encompass the preparation of financial statements for the Group and the entities for which the Group acts as Responsible Entity or Trustee. Should the estimates and assumptions adopted in preparation of the financial statements be found to be incorrect, there could be an impact on the Group's performance, reputation and position.	• Forecasting and budgeting process. • Oversight by Board Audit Committees. • Annual business unit strategy and plan reviews. • Regular cost control and improvement initiatives. • Group capital management policy. • Detailed financial policies and procedures. • Independent audits by reputable accounting firms.
People	The success of Equity Trustees relies on its ability to attract, motivate and retain people who have the necessary skills and experience to help achieve the Group's goals. The loss of key personnel could disrupt our operations in the short term. While our incentives program is designed to align key personnel interests with the Group's goals, there is no guarantee of their continued employment.	• Succession planning for key roles. • Employee engagement monitoring and action plans. • Wellness program. • Remuneration benchmarking. • Risk Culture training and annual Risk Culture surveys. • Clearly articulated corporate values.

BUSINESS RISKS

RISK CATEGORY	DESCRIPTION	KEY CONTROLS AND MITIGANTS
Outsourcing	Equity Trustees relies on several third-party service providers for various fund administration, investment management, accounting, custody, market data, market indices, promotion and other distribution and operational needs. The failure of one or more of those service providers to fulfil its obligations could lead to operational and regulatory impacts to the Group. Equity Trustees actively manages its key third-party service providers and vendor relationships.	• Outsourcing and vendor management framework. • Monitoring of third-party performance against service level agreements. • Use of standardised contracts wherever possible. • Partnering with reputable organisations. • Thorough legal and due diligence processes.
Investment	Equity Trustees' and its clients' investment portfolios are subject to normal market risks, such as interest rates and equity market volatility. These risks can affect investment valuations and income volatility. Equity Trustees actively manages its clients' investments and capital in line with our and their risk appetites, and Equity Trustees' investment and capital management policies.	• Oversight by management and Board sub-committees. • Detailed investment governance and selection frameworks. • Regular monitoring of mandate limits and investment performance.
Governance and Compliance	Entities controlled by Equity Trustees hold several licences and operate in a highly regulated environment. If the entities that hold those licences fail to comply with the general obligations and conditions, this could impact the ability to operate key parts of the Company's business, which could potentially lead to a material adverse effect on either business or financial performance.	• Maintenance of a Group obligations register. • Governance and compliance frameworks. • A Group controls-monitoring program, which includes quarterly attestations from external service providers, and targeted testing. • Regular compliance reporting to management and Board sub-committees. • Three lines of defence model.

OUTLOOK

The FY23 financial year has seen a strong performance across a variety of both financial and non-financial measures and was highlighted by the acquisition of AET. The acquisition particularly complements the Trustee and Wealth Services private client business from both a geographic and product perspective. It also reinforces Equity Trustees position as a market leader in trustee services in Australia. We are delighted with the calibre of the AET people and how both the cultural and technology integration are proceeding. The combined capabilities of the two organisations are expected to materially strengthen our client proposition and help develop a more sustainable business over the medium term.

AET's seven-month contribution to the Group's revenues and profits was significant and the Group's client satisfaction and staff engagement are all strong. In addition, we are expecting increased revenue synergies as we've come to understand the business better. The benefits of our specialist, independent trustee model along with the deep experience and capability of our staff are increasingly evident to clients and we are well positioned to pursue growth opportunities in all segments of our business.

With a predominance of asset-based fees our revenues are approximately 50-60% correlated with Australian and global equity markets. While geo-political tensions remain heightened, particularly with the war in Ukraine, Australia's relationship with China appears to be slowly improving. Globally and in Australia, inflation is a serious challenge and along with many factors is contributing to economic uncertainty and a certain amount of equity market volatility.

Notwithstanding this less certain and challenging economic outlook, the fundamentals of the Group's business are solid. Our balance sheet is strong, our client proposition is attractive, and we continue to see opportunities to grow across the broad spectrum of our trustee services. We are also undertaking a substantial program of investment in technology to improve productivity and enhance the customer experience across each of our revenue generating businesses.

In the period ahead, the Equity Trustees proposition is supported by the long-term structural dynamics of an ageing demographic, combined with government-mandated superannuation and an unprecedented intergenerational wealth transfer. In addition, there is both a regulatory and industry focus on improved governance. Equity Trustees' independent, unconflicted specialist trustee model is well placed to provide clients with products and services that are highly valued in this environment.

Over the medium to longer term, Equity Trustees' 140-plus year fiduciary heritage, enhanced capability and scale afforded by the acquisition of AET, well capitalised balance sheet, favourable industry position, combined with a market-leading, specialist focus on trusteeship and targeted further investment in our core trustee capabilities are expected to underpin a positive outlook.

ENVIRONMENTAL REGULATION

The activities of the consolidated entity are not subject to any particular environmental regulation by authorities in Australia or in other jurisdictions within which the Group operates.

EVENTS SUBSEQUENT TO BALANCE DATE

On Monday 14 August 2023, the Group announced that it had made a strategic decision to exit from its UK and Ireland businesses (referred to herein as CTS-EU). The decision follows an evaluation of CTS-EU's performance since acquisition in late 2017, and an assessment of the business pipeline, market, operating environment and anticipated required future investment by the Group. The method of exit (for instance, via sale or wind-up) is yet to be determined, but it is anticipated that this process will occur over the next 12 months.

Other than as described above, there has not been any matter or circumstance that has arisen since the end of the financial year that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

CHANGES IN THE STATE OF AFFAIRS

During the financial year there was no significant change in the state of affairs of the consolidated entity other than as previously described in this Directors' Report.

FUTURE DEVELOPMENTS

Apart from matters disclosed elsewhere in this Directors' Report, disclosure of information regarding likely developments in the operations of the Group in future financial years, and the expected results of those operations is likely to result in unreasonable prejudice to the Group. Accordingly, this information has not been disclosed in this report.

FROM THE CHAIR REMUNERATION, HUMAN RESOURCES & NOMINATIONS COMMITTEE

Dear Shareholders,

On behalf of the Remuneration, Human Resources & Nominations Committee ("Remuneration Committee") I am pleased to present Equity Trustees' Remuneration Report for the 2023 financial year (FY23).

OUR APPROACH

The Remuneration Committee's overarching aim is to ensure our remuneration framework provides remuneration outcomes with a clear link to company and individual performance, as well as our long-term strategy and values.

Equity Trustees has continued to experience remuneration pressure in FY23, as a result of continued low unemployment rates, higher inflation and shortage of experienced workers in Australia. I am pleased to advise that we have responded appropriately to the increased pressure, enabling us to continue to attract, engage and retain a talented team capable of continuing to grow the business and meet our fiduciary obligations. Given the increased size and complexity of the business, throughout the year we introduced the Financial Industry Remuneration Group (FIRG) salary survey to provide more nuanced financial services benchmark market data for external relativities.

BOARD AND EXECUTIVE CHANGES

In line with our succession plan, Anne O'Donnell retired in October 2022, following 12 years of service to the Board. Catherine Robson was appointed interim Chair of the Boards of two wholly owned subsidiaries namely, Equity Trustees Superannuation Limited and HTFS Nominees Pty Ltd in August 2022. Former Executive KMP, Mark Blair, Executive General Manager, Superannuation Trustee Services, resigned in March 2023 and, was replaced by experienced industry executive Andrew Godfrey in February 2023. Georgie Taylor commenced in September 2022 as our Executive General Manager, People following the resignation of former Executive KMP, Sharni Redenbach.

Post 30 June 2023, Russell Beasley, Executive General Manager, Corporate Trustee Services, made the decision to transition to retirement. We took this opportunity to bring together all corporate and superannuation lines of business under Andrew Godfrey as Executive General Manager, Corporate and Superannuation Trustee Services.

Following internal organisational changes, we have amended the presentation of the Group's Key Management Personnel (KMP) in this Remuneration Report. These changes result in only those that presently have authority and responsibility for planning, directing and controlling the activities of the entity being named as KMP. The revised cohort consists of the Managing Director, and Chief Financial Officer and Chief Operating Officer of the consolidated group; along with the Executive General Managers of the Group's three revenue business units, being Corporate Trustee Services, Superannuation Trustee Services and Trustee Wealth Services.

The changes continue the evolution of refreshing the Executive Leadership Team over the course of the last two years.

OUR PEOPLE

In FY23, we welcomed approximately 180 new team members with the acquisition of Australian Executor Trustees Limited (AET) located primarily in Adelaide and Perth. Equity Trustees now has Australian offices in Melbourne, Sydney, Brisbane, Perth and Adelaide.

We have evolved our hybrid working policy to optimise the benefits of working in the office. Working in the office provides an opportunity to build relationships, collaborate, communicate and to continue to build our culture and social fabric. Our people also value the benefits of work life integration, reduced commute time and flexibility as key benefits of working from home. We support employees by providing the flexibility of a minimum of three days per week in the office in the condensed window of Monday to Thursday.

RESULTS AT A GLANCE

The results of the Group for the FY23 financial year have been strong, with revenues up 26.8%, from $111.5m to $141.4m, and underlying NPBT up 15.0% from $37.4m to $43.0m. Underlying earnings per share (UEPS) for the FY23 year is 114.38 cents per share, 0.4% down when compared to FY22 of 114.80 cents per share, while total returns to shareholders (TSR) over a five-year period, extending to before the COVID-19 pandemic, are a solid 47.0%. More details of the Group's performance for the year are contained within the Operating and Financial Review section of the *Directors' Report*.

REGULATORY CHANGES

APRA Prudential Standard CPS-511, the new remuneration standard for APRA-regulated entities, came into effect for Equity Trustees' superannuation subsidiaries on 1 July 2023. We have assessed our remuneration framework and processes with an external provider, against these regulatory requirements. The EQT Group Remuneration framework already aligned remuneration with our strategy and risk appetite to reward Executives and deliver outcomes for beneficiaries and in our opinion shareholders. Nevertheless, some changes have been necessary to comply with the CPS 511 requirements for selected executives involved in managing the superannuation business.

Whilst FAR, the Financial Accountability Regime for banking, insurance and superannuation industries, is yet to be legislated, we have considered the implications of this regulation when making changes to our remuneration framework.

WE'VE ALIGNED EXECUTIVE REWARD WITH SHAREHOLDER RETURNS

The Board believes our remuneration framework has again produced the appropriate balance between fixed and variable remuneration and ensured an important alignment between Executive reward, outcomes for beneficiaries and shareholder returns.

The Managing Director and Executive Leadership Team continued to grow the business in FY23, with the acquisition of AET, considerable investment in technology transformation and through solid organic growth whilst managing expenses well, despite the pressure on remuneration and retention.

Underlying Net Profit Before Tax (UNPBT) reached $43.0m, up from $37.4m in FY22, and the dividend has been increased by 2 cents to 99 cents.

During the year, we have increased fixed remuneration for Executives to align with the market.

Short-term incentives for the Managing Director and Executives appropriately reflect the result for the FY23 year and are aligned with the shareholder experience. Approximately 70% of the target short-term incentive opportunity has been awarded, compared to 92% in FY22.

Series 16 of the Long-Term Incentive Plan ended on 30 June 2023. The Group achieved underlying EPS growth of 3.9% per annum during the three-year measurement period and therefore the awards will not vest.

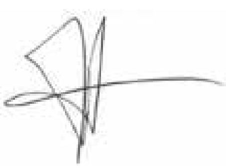
We have reviewed the Total Remuneration framework and for series 19 of the Long-Term Incentive Plan, we will be introducing a non-financial measure which aligns with the requirements of CPS 511. We also are introducing to the Long-Term Incentive plan a second financial measure based on relative Total Shareholder Return. For the Managing Director, the Awards, including the changed terms will be subject to approval at the AGM.

EMPLOYEE SHARE ACQUISITION PLAN

The Employee Share Acquisition Plan ("ESAP") is a highly valued benefit by employees and, like the Executive Performance Share Plan, is designed to align their interests with shareholders. Under the ESAP, eligible employees can acquire $1,000 worth of Equity Trustees' shares at no cost to them. Pleasingly, given the strong financial performance of the business, the Board determined to continue to offer the ESAP to eligible employees in 2023.

Thank you for taking the time to read our Remuneration Report. We welcome your feedback.

Yours faithfully,



TIM HAMMON

The Chair Remuneration, Human Resources
& Nominations Committee

REMUNERATION REPORT

This report details the remuneration framework and outcomes for Key Management Personnel of Equity Trustees' for the year ended 30 June 2023. It aims to communicate our remuneration practices and their link to the creation of shareholder value in a concise and transparent way.

The information in this Remuneration Report has been audited in accordance with section *308(3C) of the Corporations Act 2001*.

REMUNERATION OVERVIEW

WHO IS COVERED BY THIS REPORT?

This report covers Equity Trustees' Key Management Personnel (KMP). KMP are the people who have authority and responsibility for the planning, directing and controlling of activities of the Company, and includes all Non-Executive Directors, the Managing Director and Executives.

NAME	POSITION	TERM AS KMP
NON-EXECUTIVE DIRECTORS		
C Schwartz	Chair	Full year
K Eley	Independent Non-Executive Director	Full year
T Hammon	Independent Non-Executive Director	Full year
K O'Dwyer	Independent Non-Executive Director	Full year
C Robson	Independent Non-Executive Director	Full year
DG Sedgwick	Independent Non-Executive Director	Full year
EXECUTIVES		
M O'Brien	Managing Director	Full year
P Gentry	Chief Financial Officer and Chief Operating Officer	Full year
R Beasley	Executive General Manager, Corporate Trustee Services	Full year
A Godfrey[1]	Executive General Manager, Superannuation Trustee Services	Part year
I Westley	Executive General Manager, TWS Private Clients	Full year
FORMER EXECUTIVES, DIRECTORS & EXECUTIVE KMP		
A O'Donnell[2]	Independent Non-Executive Director	Part year
M Blair[3]	Executive General Manager, Superannuation Trustee Services	Part year
O Brailsford[4]	Chief Risk Officer	Full Year

[1]Commenced on 20 February 2023.
[2]Retired effective 18 October 2022.
[3]Resigned effective 23 March 2023.
[4]KMP were reviewed and as the CRO does not have authority and responsibility for planning, directing and controlling the activities of the entity this role was removed from this remuneration report.

SUMMARY – EXECUTIVE REMUNERATION

The following table shows the Group Executives of the Company during the year, who have been determined to be Key Management Personnel, together with their remuneration entitlements. Unless otherwise stated, the Executives held their position for the whole of the financial year.

Remuneration entitlements of the Executives during the year consist of cash components as well as an accounting-based accrual for such items as long-term employee benefits and share-based payments shown in the following table:

EXECUTIVE	SHORT-TERM EMPLOYEE BENEFITS		POST EMPLOY-MENT BENEFITS	TOTAL EMPLOY-MENT COST (TEC)	SHORT-TERM BONUS/ INCENTIVE	LONG-TERM EMPLOYEE BENEFITS	SHARE BASED PAYMENTS[3]	TOTAL
	SALARY $	NON-MONETARY[1] $	SUPER-ANNUATION[2] $	$	$	LONG SERVICE LEAVE $	$	$
CURRENT EXECUTIVES KMPs								
M O'Brien, Managing Director								
2023	**794,103**	**15,605**	**25,292**	**835,000**	**400,800**	**29,540**	**(156,203)**	**1,109,137**
2022	730,841	15,591	23,568	770,000	450,000	5,790	219,602	1,445,392
P Gentry, Chief Financial Officer and Chief Operating Officer								
2023	**429,583**	**10,125**	**25,292**	**465,000**	**204,000**	**16,692**	**(83,189)**	**602,503**
2022	419,307	10,125	23,568	453,000	195,000	5,958	120,642	774,600
R Beasley, Executive General Manager, Corporate Trustee Services								
2023	**309,708**	**-**	**25,292**	**335,000**	**75,000**	**19,950**	**(48,546)**	**381,404**
2022	296,432	-	23,568	320,000	125,000	(5516)	75,019	514,503
A Godfrey, Executive General Manager, Superannuation[4]								
2023	**135,831**	**-**	**8,431**	**144,262**	**50,000**	**369**	**38,200**	**232,831**
I Westley, Executive General Manager, TWS Private Clients								
2023	**409,708**	**-**	**25,292**	**435,000**	**225,000**	**38,175**	**(97,040)**	**601,135**
2022	384,432	-	23,568	408,000	240,000	(3,251)	130,303	775,052
FORMER EXECUTIVES (FORMER KMP)								
M Blair, Executive General Manager, Superannuation Trustee Office[5]								
2023	**296,234**	**-**	**21,077**	**317,311**	**-**	**(27,782)**	**(129,472)**	**160,057**
2022	336,432	-	23,568	360,000	145,000	4,978	95,722	605,700
O Brailsford, Chief Risk Officer								
2022	313,058	3,374	23,568	340,000	110,000	1,704	53,802	505,506

[1]Non-monetary items include eligible salary sacrificed items and any FBT. This includes any sacrificed amounts into EQT shares in accordance with the EQT Salary Sacrifice Share Plan plus any sacrificed amounts into the EQT Workplace Volunteering and Giving Program.

[2]Superannuation includes the SGC and, in some cases, additional superannuation payments that have been sacrificed from salary.

[3]Share-based payments relate to the value of Long-Term Incentive (LTI) Awards. The value attributable to Awards is based on the accounting cost, using the fair value at grant date. For the EPS criterion, an assessment is made of the likely achievement of performance hurdles over the three-year measurement period and the accounting cost is adjusted accordingly. The EPS criteria for Series 16 which ended on 30 June 2023 was not achieved (refer Company Performance and Reward section for further information). Where an Executive ceases employment during the year, there is a write-back of some prior year accounting costs, which can result in a negative figure in the year. A negative figure can also occur where the accounting estimate of the proportion of an EPS-based award that will be earned is revised downwards.

[4]Part Year – Commenced on 20 February 2023.

[5]Part year – Resigned effective 23 March 2023.

SUMMARY – NON-EXECUTIVE DIRECTORS' REMUNERATION

Non-Executive Director fees are reviewed every two years by the Remuneration, Human Resources and Nominations Committee ("RHRNC", or "the Remuneration Committee"), having regard to analysis of the market and industry-based data and trends. Fees are set to attract and retain high-calibre Directors and to reflect the workload and contribution required due to the scale and complexity of the Group. A market review of Non-Executive Director fees has been conducted in FY23.

To ensure that independence and impartiality are maintained, Non-Executive Directors' remuneration consists of a fixed annual fee, with no element of performance-related pay. The Chair of the EQT Board is paid an all-inclusive fee whilst all other Non-Executive Directors are paid a fee for each committee. The current Board fee pool is $1.25m, which was approved by shareholders at our 2014 Annual General Meeting on 31 October 2014.

The following table shows the fees for Directors, for participation as Chair or a committee member:

	EQTHL BOARD	AUDIT, RISK, RHRNC	STRATEGY	COMPLIANCE
Chair	$220,000	$15,000	$15,000	$10,000
Member	$110,000	$10,000	$10,000	$5,000

The following table shows the Non-Executive Directors of EQT Holdings Limited during the year, together with their remuneration entitlements:

DIRECTORS	SHORT-TERM BENEFITS			POST-EMPLOYMENT BENEFITS	LONG-TERM EMPLOYEE BENEFITS	SHARE-BASED PAYMENTS	TOTAL
	FEE $	BONUS $	NON-MONETARY[1] $	SUPER-ANNUATION $	$	$	$
CURRENT DIRECTORS							
C Schwartz, Chair							
2023	**199,095**	**-**	**-**	**20,905**	**-**	**-**	**220,000**
2022	200,000	-	-	20,000	-	-	220,000
K Eley							
2023	**117,172**	**-**	**5,000**	**12,828**	**-**	**-**	**135,000**
2022	117,741	-	4,986	12,273	-	-	135,000
DG Sedgwick							
2023	**127,950**	**-**	**1,009**	**14,550**	**-**	**-**	**143,509**
2022	123,489	-	6,056	12,955	-	-	142,500
T Hammon							
2023	**114,514**	**-**	**5,000**	**12,549**	**-**	**-**	**132,063**
2022	117,755	-	4,972	12,273	-	-	135,000
C Robson[2]							
2023	**238,358**	**-**	**1,200**	**25,154**	**-**	**-**	**264,712**
2022	130,618	-	1,200	13,182	-	-	145,000
K O'Dwyer							
2023	**118,761**	**-**	**5,000**	**12,995**	**-**	**-**	**136,756**
2022	105,241	-	4,986	11,023	-	-	121,250
FORMER DIRECTORS							
A O'Donnell							
2023	**40,556**	**-**	**1,667**	**4,434**	**-**	**-**	**46,667**
2022	122,281	-	4,992	12,727	-	-	140,000

[1]Non-monetary items include eligible salary-sacrificed items and any FBT. This includes any sacrificed amounts into EQT shares in accordance with the EQT Salary Sacrifice Share Plan plus any sacrificed amounts into the EQT Workplace Volunteering and Giving Program.

[2]Remuneration for Ms. C Robson includes amounts relating to her appointments as Chair to Equity Trustees Superannuation Limited and HTFS Nominees Pty Ltd.

REMUNERATION FRAMEWORK

GOVERNANCE AND OBJECTIVES

The role of the Remuneration Committee is to assist the Board of Directors of the Group in fulfilling its responsibilities regarding human resources matters, including remuneration, and to seek and nominate qualified candidates for election or appointment to the Holding Company's Board of Directors.

The Remuneration Committee acts on behalf of the Board and shareholders to provide non-executive oversight of the Company's remuneration and human resource policies and practices in the following areas:

REMUNERATION

- Reviews and recommends the Group's remuneration framework and policies to the Board to ensure effectiveness and compliance.
- Oversees superannuation arrangements of all employees and equity-based remuneration plans.
- Ensures remuneration information meets public disclosure requirements.
- Reviews and recommends a process for evaluating the performance of employees.

NOMINATION

- Reviews Board and Executive succession planning.
- Establishes the process for recruiting a new Director and the appointment and re-election of Directors.
- Ensures induction and continued professional development of Directors.
- Develops and implements a process for evaluating the performance of the Board, its Committees and Directors.

HUMAN RESOURCES

- Oversees and reviews the Group's people strategy.
- Oversees equal employment opportunity and diversity and inclusion policies.
- Oversees and reviews workplace health and safety matters, as well as incidents and breaches of the Group's Code of Conduct.
- Oversees and reviews the adequacy of the Group's training arrangements.
- Oversees implementation of workforce changes aligned to *Fair Work Legislation Amendment (Secure Jobs, Better Pay) Act 2022.*

At the Remuneration Committee's invitation, the Managing Director and Executive General Manager, People attend Committee meetings, except where matters associated with their own performance evaluation, development and remuneration are considered.

To assist in performing its duties and making recommendations to the Board, the Remuneration Committee seeks and considers advice from independent, external remuneration consultants on various remuneration-related matters and annually considers market related comparator remuneration information. The Committee also considers input from the Chairs of the Board Audit Committee, Board Risk Committee and Responsibility Entity Compliance Committee, where appropriate, or other advisers as needed.

The remuneration framework and policy were reviewed in line with the introduction of CPS 511. The Equity Trustees' Board will retain governance of the Remuneration Framework with the Equity Trustees Superannuation Limited and HTFS Nominees Pty Limited Boards approving Total Variable Remuneration design and outcomes for Specified Roles. The design of the LTI Plan has been reviewed to ensure the design of total Variable Remuneration complies with CPS511 for specified roles.

REMUNERATION POLICY

Unless otherwise stated in this section, reference to remuneration includes remuneration for Executives and the Managing Director. The Board's policy on Executive remuneration is designed to attract and retain high-calibre staff and to reward Executives for achieving financial and other business goals which, in turn, increases shareholder value.

The Executive remuneration structure comprises fixed salary and short-term and long-term variable components. The table below illustrates the remuneration objectives and approach. Executive remuneration package components are reviewed and structured annually to focus individuals on, and to reward achievement of, specific measures and targets with both short-term and long-term horizons.

REMUNERATION OBJECTIVES

- Align with EQT Holdings Limited's strategy and performance.
- Align rewards to building shareholder value over the long-term.
- Ensure appropriate focus on leadership, culture, values, compliance and trustee decision making.
- Assess rewards against short and long-term Company targets.
- Ensure short-and long-term components of remuneration are 'at risk'.
- Attract and retain high-calibre Executives.
- Be market competitive with rewards and remuneration.

REMUNERATION COMPONENTS

FIXED TOTAL EMPLOYMENT COSTS (TEC)

Based on employee's level of responsibility, experience, skills and performance. Includes:

- Salary: fixed annual remuneration.
- Non-monetary: eligible salary sacrifice items and Fringe Benefits Tax (FBT), where applicable.
- Long-term employee benefits: long-service leave.
- Post-employment: Superannuation Guarantee Charge (SGC).

SHORT-TERM INCENTIVE (STI)

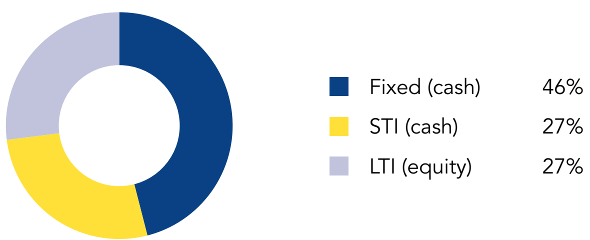
- Annual 'at risk' component based on Group, business unit and individual performance.
- Range: 30% to 60% of TEC.
- Settlement: Normally paid as cash through the payroll system.
- Remuneration Committee considers and recommends STI participation to the Board.

LONG-TERM INCENTIVE (LTI)

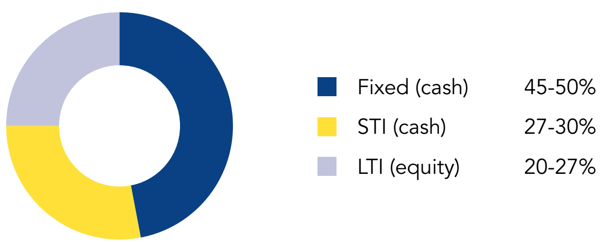
- Delivered in equity awards (and shares at vesting) based on prescribed performance hurdles.
- Range: 30% to 60% of TEC.
- Applied over three-year measurement period.
- Aligned to long-term growth strategy.
- Remuneration Committee considers and recommends LTI participation to the Board.

Executive KMP continue to have a significant portion of their remuneration linked to performance and at risk. The diagrams below show the remuneration mix if target variable elements are fully achieved for the Managing Director and Executive KMP.

MANAGING DIRECTOR



EXECUTIVES



COMPANY PERFORMANCE AND REWARD

A core component of the Group's strategy is to generate sustainable profits and maximise value to shareholders over the long term. The following table summarises the key value creation measures relevant to shareholders for the year ended 30 June 2023, along with comparative information covering the previous four years.

	30 JUNE 2023 $'000	30 JUNE 2022 $'000	30 JUNE 2021 $'000	30 JUNE 2020 $'000	30 JUNE 2019 $'000	30 JUNE 2018 $'000
Revenue	**141,366**	111,513	101,040	95,430	92,499	88,456
Net profit before tax (NPBT)	**30,852**	37,203	30,311	30,313	31,336	28,731
Underlying net profit before tax (UNPBT)[1]	**43,002**	37,387	32,138	n/a	n/a	n/a
Net profit after tax (NPAT) statutory	**18,833**	24,228	21,528	19,212	22,194	19,696
Underlying net profit after tax (UNPAT)[1]	**29,135**	24,411	22,399	21,234	n/a	n/a

	30 JUNE 2023 $	30 JUNE 2022 $	30 JUNE 2021 $	30 JUNE 2020 $	30 JUNE 2019 $	30 JUNE 2018 $
Share price at start of year	**26.20**	27.40	24.75	29.60	20.80	17.71
Share price at end of year	**25.92**	26.20	27.40	24.75	29.60	20.80

	30 JUNE 2023 CPS	30 JUNE 2022 CPS	30 JUNE 2021 CPS	30 JUNE 2020 CPS	30 JUNE 2019 CPS	30 JUNE 2018 CPS
Interim dividend[2]	**49**	48	44	47	44	40
Final dividend (paid or payable)[2, 3]	**50**	49	47	43	46	42
Total dividends for the year[1]	**99**	97	91	90	90	82
Earnings per share (statutory)[4]	**73.94**	113.94	102.03	92.95	108.61	97.27
Earnings per share (underlying)[3, 4]	**114.38**	114.80	106.16	102.73	-	-

[1]Operating and Financial Review of the Directors' Report where underlying measures are described in further detail.
[2]All dividends are fully franked at the 30% corporate income tax rate.
[3]The final dividend is declared after balance date and is not reflected in the financial statements as at 30 June for each year.
[4]Earnings per share in FY22 and FY21 has been restated to reflect the rights issue in August/September 2022.

FY23 has been another milestone year for Equity Trustees, with a number of significant initiatives on foot within the business. These include a multi-year, technology transformation programme designed to uplift the Group's use of technology in ways that range from improving productivity and effectiveness for staff, enhancing our trustee governance tool set, to enhancing our client experience through new online capability. The Group is two years into a three-year transformation phase, with a number of improvements already delivered, and an exciting pipeline of change ahead.

The centrepiece of this financial year was the Group's acquisition of Australian Executor Trustees Limited. AET is a highly complementary business to the Group, particularly to the existing TWS business, and has also enabled the Group to broaden its footprint in most Australian states and strengthen its leadership position in some product lines.

While necessary, these investments have weighed on the short-term results of the Group, impacting statutory measures. In the current period, statutory NPBT is down 17.1% on FY22, and statutory NPAT is down 22.3% on FY22. After adjusting for these initiatives, plus the write-down of the CTS-EU goodwill, management rights, right-of-use assets and furniture and equipment, underlying NPBT and NPAT are comfortably up 15.0% and 19.4% respectively. With significant one-off initiatives underway, these underlying measures provide an improved view of the operating performance of the business.

In respect of shareholder returns, underlying earnings per share (UEPS) are down slightly (0.4%) on FY22. The Group's five-year TSR is 47.0% based on a dividends accrued basis.

A final declared dividend of 50 cents per share (CPS) brings the total dividends for the year to 99 CPS, up 2.1% on the prior comparative period. The performance of the Group has allowed the Board to steadily grow the dividend over recent years, and total dividends for the year are now the highest they have been for more than 10 years. The financial performance of the Group, including details of individual business unit performance, and other key measures, is described more fully in the *Operating and Financial Review* section of the Directors' Report.

Short-term incentives awarded to the Managing Director and Executives during FY23 appropriately reflect the result for the year and are aligned with the shareholder FY23 experience. Approximately 70% (2022: 92%) of the target short-term incentive opportunity has been awarded to the Managing Director and eligible Executives, with a range of 37% to 80%. The amounts awarded to individuals gave consideration to a range of Group, Business Unit and personal measures, which are described in further detail below.

Series 16 of the Long-Term Incentive Plan ended on 30 June 2023. The Group achieved 3.9% EPS growth per annum (calculated on underlying results) over the three-year measurement period, which in itself was a solid result noting the disruptive impacts of the pandemic through the measurement period. Notwithstanding this, the result fell short of the hurdle for minimum vesting, and no shares have been awarded to eligible Key Management Personnel in relation to this series.

EXECUTIVE REMUNERATION INCENTIVE PLANS

EXECUTIVE SHORT-TERM PERFORMANCE INCENTIVES

At the beginning of each financial year, the Board agrees on the balanced scorecard goals for Equity Trustees' and each Business Unit for the coming year. The scorecard is considered "balanced" because it includes a range of financial and non-financial measures. In FY23, these measures included Group and Business Unit profit before tax (PBT), new business, expense control, client satisfaction, member outcomes, employee engagement, service delivery, leadership and compliance (including trustee decision making for the Revenue Business Units). The weightings varied according to the specific responsibilities of the Executives. Adherence to the EQT Risk Management and Compliance Framework is a gate to eligibility for a short-term performance incentive.

MEASURE	MANAGING DIRECTOR FY23 KPIs % WEIGHTING	CFO/COO and REVENUE BU FY23 KPIs % WEIGHTING	RANGE OF RESULTS AGAINST KPIs
Group PBT[1]	35	20-30	Partially Met
Business Unit PBT[1]	-	15-20	Partially Met – Exceeded
New Business[1]	15	15-20	Met
Expenses[1, 2]	-	0-10	Met
Staff and Client Satisfaction	10	10	Met – Exceeded
Service delivery (internal)	-	10	Met
Client satisfaction (external)		0-5	Met – Exceeded
Project delivery	15	0-20	Partially Met – Exceeded
Member outcomes	-	0-15	Met
Leadership	15	10	Met-Exceeded
Compliance (and trustee decision making)	10	10	Met
	100	100	

[1]Measure is assessed against budget. An acceptable result for PBT (allowing for all non-operating expenses) is a gate to eligibility for a short-term performance incentive.

[2]Expense measure applies to the CFO/COO only.

These performance criteria were chosen to provide a suitable incentive for Executive performance for the benefit of shareholders and other stakeholders. Each criterion is given a threshold eligibility target for the minimum incentive and a stretch threshold representing an excellent achievement, for which the target incentive is paid. In all cases, the Remuneration Committee confirms the appropriateness of the criteria and thresholds and, at the conclusion of the measurement period, the level of achievement. Short-term incentives are normally paid in cash through the payroll system.

At the end of the performance period, short-term incentive targets were assessed by the Board in respect of the Managing Director and the Managing Director assessed the performance of the Executives. The Remuneration Committee (with input from the Board Risk, Board Audit and Compliance Committees) and the Board considered and approved these incentives. The outcome of each assessment is set out below:

EXECUTIVES	2023 TEC $	2023 STI OPPORTUNITY $	2023 STI AWARDED $	PERCENTAGE OF OPPORTUNITY AWARDED %
M O'Brien	835,000	501,000	400,800	80
P Gentry	465,000	279,000	204,000	73
R Beasley	335,000	201,000	75,000	37
A Godfrey[1]	400,000	79,200	50,000	63
I Westley	480,000	288,000	225,000	78

[1]Part year, Andrew commenced 20 February 2023

EXECUTIVE LONG-TERM PERFORMANCE INCENTIVES

Long-term incentives (LTI) provide Executives with remuneration delivered in equity if conditions are met over a three-year period. LTI awards are granted annually, which provides ongoing benefits to Executives for increasing shareholder value and is a retention mechanism. The LTI awards (Awards) confer the right to acquire shares at no cost, subject to meeting prescribed performance hurdles. The accounting cost of long-term performance incentives is spread over the measurement (or vesting) period. The first issue of Awards commenced with the 2005/06 Series and has continued in each subsequent year. The structure of the Plan, approved by the Remuneration Committee, forms part of the remuneration structure of eligible Executives, in particular the long-term incentive component of remuneration. The following is an overview of the key features of the Plan as determined by the Remuneration Committee, approved by the Board and communicated to shareholders in this Annual Report.

KEY TERMS AND CONDITIONS

The following table shows the basis of measurement, hurdle(s) and vesting schedule for the LTI series ending 30 June 2023, as well as the current active series:

		TERMS OF AWARD	
SERIES (YEAR OF AWARD)	BASIS OF MEASURMENT	HURDLE	VESTING SCHEDULE
Series 18 (1 July 2022 – 30 June 2025)	EPS	4% 4% to 10% p.a >10% p.a	20% Pro Rata 100%
Series 17 (1 July 2021 – 30 June 2024)	EPS	4% 4% to 10% p.a >10% p.a	20% Pro Rata 100%
Series 16 (1 July 2020 – 30 June 2023)	EPS	5% 5% to 12% p.a >12% p.a	25% Pro Rata 100%

LONG TERM INCENTIVE

Instrument	Performance Rights
Participants	Executives
Opportunity	40% – 60% Is calculated by dividing the value of the Award by the volume weighted average price of EQT Holdings Limited shares traded during the three-month period to 30 June of each year (or the AGM for the CEO).
Performance Hurdles	Earnings Per Share (EPS) growth 4% growth p.a. = 20% vesting 10% growth p.a. = 100% vesting Pro-rata between 4% p.a. and 10% p.a.
Performance Period	3 years
Additional Deferrals	Deferrals of vested Awards past 3 years may be required for specified roles to ensure adherence with APRA Prudential Standard CPS511.
Calculations of Awards	The value of the Award is determined by the Remuneration Committee, and the number of share entitlements issued to each participant for a particular Series is calculated by dividing the value of the Award by the volume weighted average price of EQT Holdings shares (EQT) traded during the three-month period to 30 June of each year.
Share entitlements	• Each share entitlement converts to one ordinary share of EQT on exercise. • No amounts are paid or payable by participants on receipt of the share entitlements. • The number of share entitlements on issue is adjusted for any capital reconstructions during the measurement period. • Holders of share entitlements do not have a right, by virtue of the entitlements held, to participate in any new share issue of the Company.
Dividends and voting rights	The share entitlements carry neither rights to dividends nor voting rights. Dividends are received by participants once Awards are issued into shares.
Forfeiture and Disposal	• Shares are subject to forfeiture conditions during the three-year measurement period. • Participants are able to nominate a disposal restriction period of up to 12 years from the issue date of the shares following the initial three-year measurement period. The use of hedging or derivative techniques is not permitted until shares are released from the forfeiture condition. If hedging or derivative techniques are used during the period when there is still a forfeiture condition in place, then the shares are forfeited. • The Group Securities Dealing Policy also makes reference to the prohibition on hedging or derivative techniques and applies to all Group employees.
Board Discretion	The Board have absolute and unfettered discretion under the Plan, including in a change of control situation.
Cessation of Employment	Other than in exceptional circumstances, the participant must be employed within the Group for the duration of the measurement period to exercise any share entitlements.
Clawback and Malus	The Board retains discretion to adjust remuneration outcomes (including to zero) to ensure that Awards are not provided where it would be inappropriate or would provide unintended outcomes. The Board intends to exercise such discretion in a manner that is consistent with supporting sound and effective risk management, protecting Equity Trustees' reputation and aligned with the creation of long-term shareholder value. If this discretion was applied in any year, it would be clearly disclosed and explained.

In accordance with the Plan, variations to the above features may apply, where approved by the Board.

The following unvested share-based payment arrangements under the LTI were in existence during the period:

AWARD SERIES[1]	ISSUED AT GRANT DATE	EXERCISED	FORFEITED/ LAPSED	NUMBER OUT-STANDING AT 30 JUNE 2023	GRANT DATE	EXPIRY DATE	EXERCISE PRICE $	FAIR VALUE AT GRANT DATE $	MAXIMUM POTENTIAL ACCOUNT-ING VALUE OF GRANT[2] $
2022/23 Series 18 EPS (MD only)	18,659	-	-	**18,659**	31/10/2022	30/06/2025	Nil	22.66	422,813
2022/23 Series 18 EPS (Executives)	70,136	-	8,375	**61,761**	16/09/2022	30/06/2025	Nil	23.57	1,653,106
2021/22 Series 17 EPS (MD only)	18,750	-	-	**18,750**	15/11/2021	30/06/2024	Nil	22.67	425,063
2021/22 Series 17 EPS (Executives)	58,052	-	12,629	**45,423**	15/10/2021	30/06/2024	Nil	25.45	1,477,423
2020/21 Series 16 EPS (MD only)	20,352	-	20,352	-	28/10/2020	30/06/2023	Nil	22.97	467,485
2020/21 Series 16 EPS (Executives)	70,959	-	53,773	**17,186**	8/09/2020	30/06/2023	Nil	25.44	1,805,197
2019/20 Series 15 EPS (MD only)	16,562	-	16,562	-	25/10/2019	30/06/2022	Nil	28.22	467,380
2019/20 Series 15 EPS (Executives)	51,817	12,880	38,937	-	2/10/2019	30/06/2022	Nil	26.73	1,385,068
2019/20 Series 15 EBIT (EGM CTS only)	2,429	-	2,429	-	2/10/2019	30/06/2022	Nil	26.73	64,927
Totals	**327,716**	**12,880**	**153,057**	**161,779**					**8,168,462**

[1]The difference between the number of awards outstanding at 30 June 2023 and the balance of awards outstanding for KMP at 30 June 2023 relates to awards issued to Group executives not deemed to be KMP.

[2]The potential minimum accounting value of each Grant series is nil.

The following is a summary of movements in Awards in respect of Executives:

2023	BALANCE OF AWARDS AT 1 JULY 2022 NO.	AWARDS GRANTED AS COMPENSATION NO.	AWARDS EXERCISED INTO SHARES NO.	AWARDS FORFEITED/ LAPSED NO.	BALANCE OF AWARDS AT 30 JUNE 2023 NO.	AWARDS VESTED & EXERCISABLE (EXCLUDING THOSE ALREADY EXERCISED) NO.	BALANCE OF AWARDS NOT VESTED AT 30 JUNE 2023[1] NO.	VESTED DURING 2023 NO.
CURRENT EXECUTIVES KMP								
M O'Brien	39,102	18,659	-	20,352	37,409	-	37,409	-
P Gentry	19,255	10,469	-	10,063	19,661	-	19,661	-
I Westley	20,789	9,455	-	10,854	19,390	-	19,390	-
R Beasley	11,196	7,542	-	4,703	14,035	-	14,035	-
A Godfrey	-	9,006	-	-	9,006	-	9,006	-
FORMER EXECUTIVES KMP								
O Brailsford	8,548	5,478	-	4,409	9,617	-	9,617	-
M Blair	15,265	8,375	-	23,640	-	-	-	-
Totals	**114,155**	**68,984**	**-**	**74,021**	**109,118**	**-**	**109,118**	**-**

[1]The balance of Awards not vested at 30 June 2023 does not necessarily represent Awards that will be vested in the future. The balance will remain until the respective measurement periods have been completed and a final assessment is made.

EMPLOYMENT AGREEMENTS

The employment agreements for the Managing Director and Executives are ongoing, permanent, full-time agreements that do not have a stipulated fixed term.

The designated notice period for the Managing Director is six months. For the Executives, the designated notice period ranges between three and six months.

DIRECTOR AND EXECUTIVE EQUITY HOLDINGS

Director and Executive relevant interests in fully paid ordinary shares of EQT Holdings Limited for the financial year are as follows:

DIRECTORS	BALANCE AT 1 JUL 2022 NO.	RECEIVED ON EXERCISE OF SHARE RIGHT NO.	NET OTHER CHANGE[1] NO.	BALANCE AT 30 JUN 2023 NO.
CURRENT DIRECTORS				
C Schwartz	9,632	-	2,256	**11,888**
K Eley	126,910	-	21,355	**148,265**
DG Sedgwick	16,057	-	3,411	**19,468**
T Hammon	4,172	-	896	**5,068**
C Robson	4,250	-	709	**4,959**
K O’Dwyer	172	-	3,800	**3,972**
M O’Brien	85,511	-	33,704	**119,215**
FORMER DIRECTORS				
A O'Donnell	13,383	-	(13,383)	**-**

EXECUTIVES	BALANCE AT 1 JUL 2022 NO.	RECEIVED ON EXERCISE OF SHARE RIGHT NO.	NET OTHER CHANGE[1] NO.	BALANCE AT 30 JUN 2023 NO.
CURRENT EXECUTIVES				
P Gentry	22,229	-	3,841	**26,070**
A Godfrey	-	-	-	**-**
I Westley	16,157	-	4,040	**20,197**
R Beasley	2,356	-	706	**3,062**
FORMER EXECUTIVES				
O Brailsford	585	-	(585)	**-**
M Blair	10,908	-	(10,908)	**-**
Totals	312,322	-	49,842	**362,164**

[1]Net Other Change refers to additions or reductions in shareholdings although also includes shares held by departed Directors or Executives at the time of departure. In the current period *Net Other Change* also includes shares held by Executives deemed not to be KMP.

There were no shares granted during FY23 as compensation.

EMPLOYEE SHARE ACQUISITION PLAN

The Employee Share Acquisition Plan ("ESAP") is a taxed up-front plan. That is, a participant is required to declare the difference between the market value of the shares issued and the price paid by the participant ("the discount") in his or her current year tax return. As the shares are issued at no cost to the participant, the discount is equal to the market value of the shares issued.

Where a participant's adjusted taxable income is $180,000 or less (including the full market value of the shares issued) the taxable discount is reduced by up to $1,000 per year per employee. Where a participant's adjusted taxable income is over $180,000 (including the full market value of the shares issued) the taxable discount is not eligible for reduction and the full value of the shares will be included as taxable income.

Excluding KMP, only permanent staff members who have been employed for at least six months and are not undergoing formal performance management when invitations are issued are eligible to participate.

The ESAP is a highly valued benefit by employees and, like the *Executive Performance Share Plan*, is designed to align their interests with shareholders.

ADDITIONAL INFORMATION

INDEMNIFICATION OF DIRECTORS, OFFICERS AND AUDITORS

During the financial year, the Company paid a premium in respect of a contract insuring the Directors, Company Secretaries and Officers of the Group against a liability incurred as a Director, Company Secretary or Officer to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the coverage and the amount of the premium.

The Company has not otherwise, during or since the financial year, indemnified or agreed to indemnify a Director, a Company Secretary, an Officer or Auditor of the Company or any related body corporate against a liability incurred as such a Director, Company Secretary, Officer or Auditor.

ROUNDING-OFF OF AMOUNTS

The Company is a company of the kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* dated 24 March 2016 and, in accordance with the Corporations Instrument, amounts in the Directors' Report and the Financial Statements are rounded off to the nearest thousand dollars unless otherwise indicated.

NON-AUDIT SERVICES

The Directors are satisfied that the provision of non-audit services during the year by the auditor (or by another person or firm on the auditor's behalf) is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in Note 33 to the Financial Statements.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is included on page 68 of the Financial Report.

On behalf of the Directors

CAROL SCHWARTZ AO

Chair

25 August 2023

AUDITOR'S INDEPENDENCE DECLARATION

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

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www.deloitte.com.au

25 August 2023

The Board of Directors
EQT Holdings Limited
Level 1, 575 Bourke Street
Melbourne, VIC 3000

Dear Board Members

Auditor's Independence Declaration to EQT Holdings Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of EQT Holdings Limited.

As lead audit partner for the audit of the financial statements of EQT Holdings Limited for the financial year ended 30 June 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) The auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(ii) Any applicable code of professional conduct in relation to the audit.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Lani Cockrem

Lani Cockrem
Partner
Chartered Accountants

DIRECTORS' DECLARATION

EQT Holdings Limited

ABN 22 607 797 615

DIRECTORS' DECLARATION FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

The Directors declare that:

a) In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

b) The attached financial statements are in compliance with International Financial Reporting Standards, as stated in the statement of compliance to the financial statements.

c) In the Directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Company and the Group.

d) The Directors have received from the Managing Director and the Chief Financial Officer the declarations required by Section 295A of the *Corporations Act 2001*.

At the date of this declaration, the Company is within the class of companies affected by *ASIC Corporations (Wholly-Owned Companies) Instrument 2016/785*. The nature of the deed of cross guarantee is such that each company which is party to the deed guarantees to each creditor payment in full of any debt in accordance with the deed of cross guarantee.

In the Directors' opinion, there are reasonable grounds to believe that the Company and the companies to which *ASIC Corporations (Wholly-Owned Companies) Instrument 2016/785* applies, as detailed in Note 32 to the financial statements will, as a group, be able to meet any liabilities to which they are, or may become, subject because of the deed of cross guarantee.

Signed in accordance with a resolution of the Directors made pursuant to Section 295(5) of the *Corporations Act 2001*.

On behalf of the Directors

CAROL SCHWARTZ AO

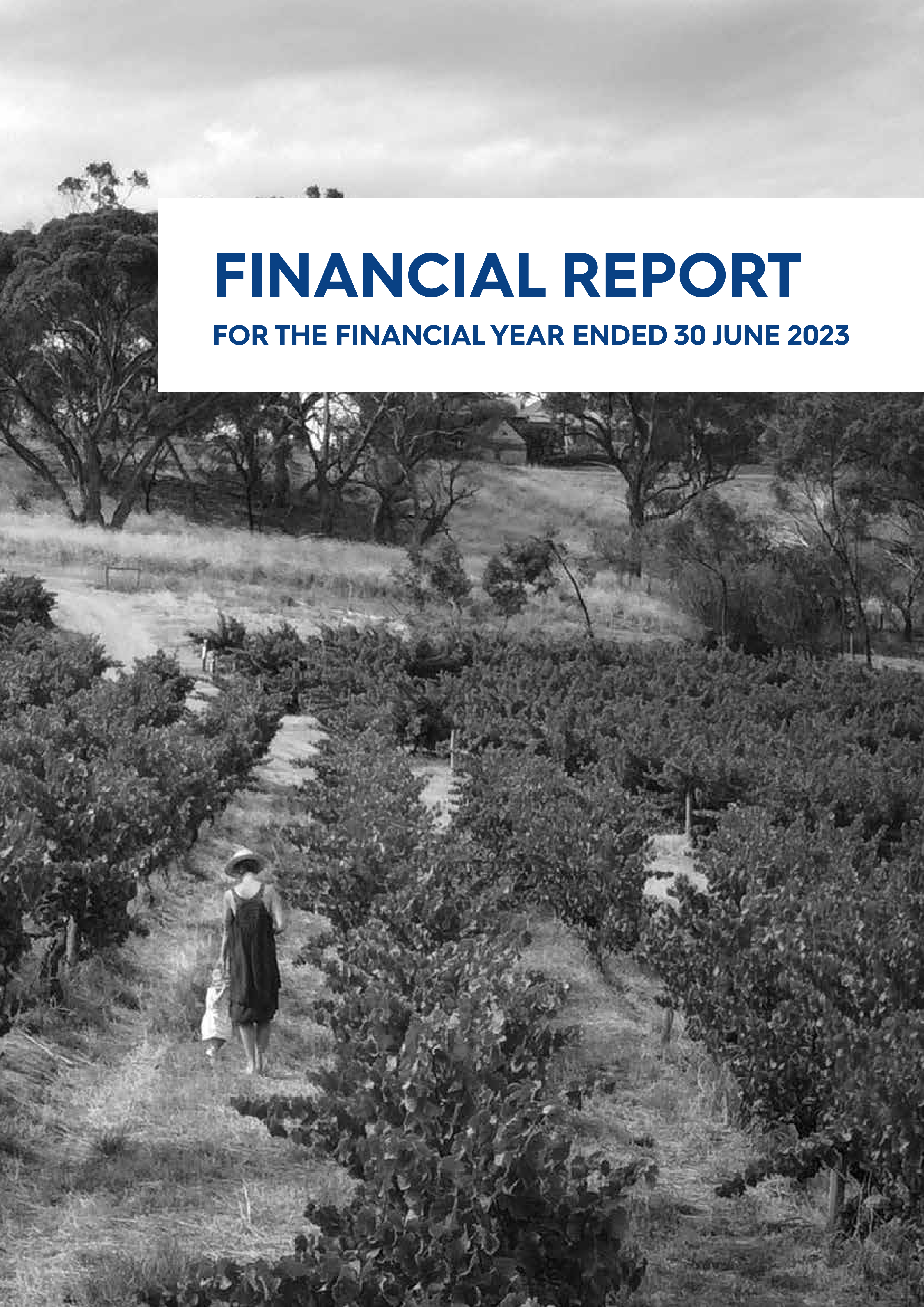
Chair

25 August 2023

McLaren Vale, South Australia.

FINANCIAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023



FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	NOTE	2023 $'000	2022 $'000
Revenue and other income	1	**141,366**	111,513
Expenses	2	**(102,315)**	(67,579)
Finance costs	2	**(2,776)**	(2,335)
Depreciation and amortisation	7, 9	**(5,423)**	(4,396)
Profit before income tax expense		**30,852**	37,203
Income tax expense	4	**(13,535)**	(14,534)
Profit for the year		**17,317**	22,669
Other comprehensive income			
Items that may be reclassified subsequently to profit and loss:			
Foreign exchange translation differences for foreign operations		**294**	(238)
Total comprehensive income for the year		**17,611**	22,431
Profit for the year attributable to:			
Equity holders of the Company		**18,833**	24,228
Non-controlling interests		**(1,516)**	(1,559)
Profit for the year		**17,317**	22,669
Total comprehensive income attributable to:			
Equity holders of the Company		**19,528**	23,822
Non-controlling interests		**(1,917)**	(1,391)
Total comprehensive income for the year		**17,611**	22,431
Earnings per share			
Basic (cents per share)	5	**73.94**	113.94
Diluted (cents per share)	5	**73.66**	113.60

The above statement should be read in conjunction with the accompanying notes to the financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2023

	NOTE	2023 $'000	2022 $'000
Current assets			
Cash and cash equivalents	18	**99,690**	108,316
Trade and other receivables	19	**20,601**	9,315
Prepayments		**4,871**	3,139
Accrued income		**20,437**	17,629
Other financial assets	20	**10,000**	10,000
Current tax receivable	4	**3,815**	-
Total current assets		**159,414**	148,399
Non-current assets			
Trade and other receivables	19	**1,725**	769
Furniture, equipment and leasehold	9	**4,991**	5,440
Deferred tax assets	4	**7,831**	4,504
Right-of-use assets	10	**7,411**	6,789
Intangible assets	7	**149,231**	77,708
Goodwill	8	**181,311**	127,541
Total non-current assets		**352,500**	222,751
Total assets		**511,914**	371,150
Current liabilities			
Trade and other payables	21	**4,260**	2,442
Provisions	11	**13,587**	9,525
Borrowings	14	**419**	54
Other current liabilities	12	**4,875**	2,828
Current tax payable	4	**-**	1,765
Total current liabilities		**23,141**	16,614
Non-current liabilities			
Provisions	11	**5,513**	3,113
Borrowings	14	**50,200**	41,005
Other non-current liabilities	12	**7,076**	7,778
Deferred tax liabilities	4	**26,454**	21,305
Total non-current liabilities		**89,243**	73,201
Total liabilities		**112,384**	89,815
Net assets		**399,530**	281,335
Equity			
Issued capital	15	**384,336**	257,558
Reserves	16	**2,518**	2,028
Retained earnings		**18,532**	25,688
Equity attributable to owners of the Company		**405,386**	285,274
Non-controlling interest		**(5,856)**	(3,939)
Total equity		**399,530**	281,335

The above statement should be read in conjunction with the accompanying notes to the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	FULLY PAID ORDINARY SHARES $'000	RETAINED EARNINGS $'000
Balance at 30 June 2021	**253,621**	**21,407**
Profit/(loss) for the year	-	24,228
Foreign exchange translation differences for foreign operations	-	-
Total comprehensive income for the year	**-**	**24,228**
Foreign exchange translation differences for foreign operations	-	31
Shares issued under Employee Salary Sacrifice Share Plan	98	-
Shares issued under Dividend Reinvestment Plan	3,292	-
Shares issued under Employee Share Acquisition Plan	209	-
Shares issued under Executive Share Scheme	357	-
Share issue costs	(25)	-
Related income tax	6	-
Equity remuneration expense	-	-
Payment of dividends	-	(19,978)
Balance at 30 June 2022	**257,558**	**25,688**
Profit/(loss) for the year	-	18,833
Foreign exchange translation differences for foreign operations	-	-
Total comprehensive income for the year	-	18,833
Foreign exchange translation differences for foreign operations	-	(123)
Shares issued under Employee Salary Sacrifice Share Plan	75	-
Shares issued under Dividend Reinvestment Plan	3,625	-
Shares issued under Employee Share Acquisition Plan	198	-
Shares issued under Executive Share Scheme	344	-
Shares issued for Australian Executor Trustees (AET) acquisition	125,113	-
Share issue costs	(3,681)	-
Related income tax	1,104	-
Equity remuneration expense	-	-
Payment of dividends	-	(25,866)
Balance at 30 June 2023	**384,336**	**18,532**

The above statement should be read in conjunction with the accompanying notes to the financial statements.

OTHER RESERVES $'000	CURRENCY TRANSLATION $'000	ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY $'000	NON- CONTROLLING INTEREST $'000	TOTAL EQUITY $'000
1,601	**177**	**276,806**	**(2,555)**	**274,251**
-	-	24,228	(1,559)	22,669
-	(406)	(406)	168	(238)
-	**(406)**	**23,822**	**(1,391)**	**22,431**
-	(8)	23	7	30
-	-	98	-	98
-	-	3,292	-	3,292
(209)	-	-	-	-
(357)	-	-	-	-
-	-	(25)	-	(25)
-	-	6	-	6
1,230	-	1,230	-	1,230
-	-	(19,978)	-	(19,978)
2,265	**(237)**	**285,274**	**(3,939)**	**281,335**
-	-	18,833	(1,516)	17,317
-	695	695	(401)	294
-	695	19,528	(1,917)	17,611
(1)	3	(121)	-	(121)
-	-	75	-	75
-	-	3,625	-	3,625
(198)	-	-	-	-
(344)	-	-	-	-
-	-	125,113	-	125,113
-	-	(3,681)	-	(3,681)
-	-	1,104	-	1,104
335	-	335	-	335
-	-	(25,866)	-	(25,866)
2,057	**461**	**405,386**	**(5,856)**	**399,530**

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	NOTE	2023 $'000	2022 $'000
Cash flows from operating activities			
Receipts from customers		**145,860**	126,532
Payments to suppliers and employees		**(117,446)**	(79,341)
Income tax paid		**(19,558)**	(13,597)
Net cash provided by operating activities	6	**8,856**	33,594
Cash flows from investing activities			
Investment in managed investment schemes		**-**	(5,000)
Interest and managed fund distributions received		**3,722**	535
Payment for furniture, equipment, leasehold and right-of-use assets		**(905)**	(1,621)
Payment for intangible assets		**(2,910)**	(652)
Payment for acquisition	13	**(123,433)**	-
Net cash used in investing activities		**(123,526)**	(6,738)
Cash flows from financing activities			
Proceeds from issues of equity securities		**125,113**	-
Proceeds from borrowings – corporate facility		**27,000**	-
(Repayment of)/proceeds from borrowings – operational risk financial requirement facilities		**(17,805)**	7,755
Repayment of lease liabilities		**(2,290)**	(1,578)
Payments for share issue costs		**(3,681)**	(25)
Dividend paid to members of the parent entity (net of shares issued under dividend reinvestment plan)		**(22,238)**	(16,685)
Net cash provided by/(used in) financing activities		**106,099**	(10,533)
Net (decrease)/increase in cash and cash equivalents		**(8,571)**	16,323
Cash and cash equivalents at beginning of the financial year		**108,316**	92,175
Exchange fluctuations on foreign cash balances		**(55)**	(182)
Cash and cash equivalents at end of the financial year	18	**99,690**	108,316

The above statement should be read in conjunction with the accompanying notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

GENERAL INFORMATION

EQT Holdings Limited (the Company) is a public company listed on the Australian Securities Exchange (trading under the symbol "EQT"), incorporated in Australia, and operating in Australia, the United Kingdom and Ireland.

The Company's registered office and its principal place of business is Level 1, 575 Bourke Street, Melbourne, Victoria. EQT Holdings Limited and its subsidiaries (refer to Note 31) are referred to as 'the Group' in the notes to the financial statements. The principal activities of the Group are described in Note 3.

STATEMENT OF COMPLIANCE

These financial statements are general purpose financial statements, which have been prepared in accordance with the *Corporations Act 2001*, Accounting Standards and Interpretations, and comply with other requirements of the law. The financial statements comprise the consolidated financial statements of the Group. For the purposes of preparing the consolidated financial statements, the Group is a for-profit entity. Accounting Standards include Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Group and the Company comply with International Financial Reporting Standards (IFRS).

The financial statements were authorised for issue by the Directors on 25 August 2023.

GOING CONCERN

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, and accordingly, have adopted the going concern basis of accounting in preparing the financial statements.

BASIS OF PREPARATION

The consolidated financial statements have been prepared based on historical cost, except for the revaluation of certain financial instruments that are measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets. All amounts are presented in Australian dollars unless otherwise noted. Details of functional currencies within the Group are set out in Note 31.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group considers the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of AASB 2 *Share-Based Payments*, leasing transactions that are within the scope of AASB 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as for value in use calculations per AASB 136 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The Company is a company of the kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument (Corporations Instrument)*, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, the Directors are required to make judgements, estimates, and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements and key sources of estimation uncertainty used in preparing the financial statements that significantly impact the amounts recognised in the consolidated financial statements.

ESTATE ADMINISTRATION REVENUE (A COMPONENT OF 'OTHER SERVICES REVENUE') (NOTE 1)

Revenue associated with estate administration activities is recognised over time as the relevant services are provided, taking into consideration the stage of completion of each individual estate. The estate administration process is complex and includes a number of legal milestones that must occur until the point at which an estate is distributed to its beneficiaries. Judgment is required in determining the percentage of completion in accordance with the progress of the estate.

INTANGIBLE ASSETS (NOTE 7)

The useful lives of intangible assets are reviewed annually. Any reassessment of useful lives in a particular year will affect the amortisation expense (either increasing or decreasing) through to the end of the reassessed useful life for both the current and future years. In the current financial year, the Group has determined that no change to the previously determined useful lives (as set out in Note 7) is required (2022: no change).

IMPAIRMENT OF GOODWILL, INDEFINITE LIFE MANAGEMENT RIGHTS, CUSTOMER CONTRACT INTANGIBLES AND BRAND (NOTES 7 AND 8)

Determining whether goodwill, indefinite life management rights/customer contracts and brand assets are impaired requires an estimation of the value in use of the cash-generating units to which goodwill, indefinite life management rights and brand assets have been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit, revenue, expense, terminal growth rates and an appropriate discount rate in order to calculate present value.

The Group is required to test impairment annually for goodwill, indefinite life management rights and brand assets, irrespective of whether indicators of impairment are present. The Group has also considered the increase in market and economic volatility where relevant in selecting the discount rate to be applied for impairment testing, and in the stress testing of the model on an overall basis.

At 30 June 2023 the carrying amount of goodwill is $181,311k, management rights and customer contract intangibles is $140,318k (2022: $127,541k goodwill and $76,629k management rights and customer contract intangibles), and brand assets is $5,300k (2022: nil). During the year ended 30 June 2023, goodwill of $1,941k and customer contract intangibles of $185k associated with the Corporate Trustee Services – Europe (CTS-EU) cash generating unit (CGU) were fully impaired. Refer to Notes 7 and 8 for further information.

PERFORMANCE

1 REVENUE AND OTHER INCOME

The following is an analysis of the Group's income and revenue for the year:

	2023 $'000	2022 $'000
Revenue		
Private Client Trustee Services	**64,676**	46,766
Superannuation Trustee Services	**22,997**	20,659
Fund Governance and Trustee Services	**38,619**	38,931
Other services	**9,917**	4,203
Revenue from service activities	**136,209**	110,559
Interest and managed fund distributions	**3,932**	643
	140,141	111,202
Other income		
Recoveries	**1,231**	396
Foreign currency gain/(loss)	**(6)**	(85)
Total revenue and other income	**141,366**	111,513
The following is an analysis of investment revenue earned on financial assets by category of asset:		
At fair value through profit or loss (FVTPL) – managed funds	**853**	428
At amortised cost – cash and cash equivalents	**3,079**	215
Total investment income for financial assets not designated as at fair value through profit or loss	**3,932**	643

ACCOUNTING POLICIES

Revenue is recognised on an accrual's basis, as services are transferred to a customer or performance obligations are satisfied (if it is highly probable that a significant reversal is unlikely to occur), at the fair value of the consideration specified in the contract.

Revenue recognition for each of the Group's revenue streams is as follows:

REVENUE STREAM	INCLUDES	PERFORMANCE OBLIGATION	TIMING OF RECOGNITION
Private Client Trustee Services	Traditional trustee services for philanthropy, testamentary, Indigenous and compensation trusts, and investment mandates.	Governance and oversight of trusts, portfolios, mandates and their related investments.	Over time as the relevant services are provided. Revenues are determined with reference to funds under management, administration and supervision.
Superannuation Trustee Services	Trustee services for superannuation funds.	Governance and oversight of funds and their related investments.	Over time as the relevant services are provided. Revenues are predominantly determined with reference to funds under management and supervision.
Fund Governance and Trustee Services	Fund governance and corporate trustee services.	Governance and oversight of registered and unregistered schemes, trusts and other structured vehicles.	Over time as the relevant services are provided. Revenues are determined with reference to funds under supervision.
Other services (this category includes all residual services that do not fall into one of the above categories)	Estate administration fees.	Estate administration and distribution.	Over time as the relevant services are provided. Revenues are determined with reference to funds under administration during the estate administration process.
	Estate planning fees Tax fees.	Preparation of estate plans and tax returns.	On completion of the provision of the relevant service. Revenues are determined with respect to the complexity of client arrangements.

Revenue earned for Private Client, Superannuation and Fund Governance and Trustee Services is generally provided under contracts that do not contemplate an end date. Notwithstanding this, the performance obligations associated with the services provided are met continuously over time, and accordingly, there are no unsatisfied performance obligations as at 30 June 2023.

For estate administration services (a component of other services) there are estates for which some of the performance obligations remain unsatisfied, to which a portion of the transaction price is allocated. Notwithstanding this, the Group's general expectation is that the administration process will have a duration of less than 12 months for all estates. In some circumstances – and in particular for estates where litigation takes place – the duration may exceed 12 months; however, this is generally not known at the time of inception. For those estates where the duration of the administration process will exceed 12 months, the amount not recognised at 30 June 2023 is insignificant.

For tax and estate planning fees (both of which are components of other services) the related performance obligations are satisfied when the work is concluded, and the services have been delivered to the client. The transaction price is realised at this point in time.

INTEREST AND MANAGED FUND DISTRIBUTIONS

Interest and managed fund distribution revenue is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Distribution revenue from investments is recognised when the Group's right to receive payment has been established. Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

RECOVERIES

From time to time, the Group may earn income when expenses paid are subsequently recovered, such as for insurance claims, legal settlements or other cost recoveries. Income earned in such cases is recognised when the Group's right to receive payment has been established.

2 EXPENSES

	2023 $'000	2022 $'000
Salaries and related employee expenses:		
Wages and salaries	**61,929**	42,782
Post-employment benefits	**4,865**	3,361
Equity-settled share-based payments	**334**	1,328
Other employment related expenses	**4,234**	1,832
Administrative and general expenses:		
Expected credit losses	**20**	(5)
Other administrative and general expenses	**6,053**	3,137
Information technology expenses	**8,812**	6,262
Occupancy expenses:		
Minimum lease payments (short-term and low-value leases)	**240**	398
Outgoings and other occupancy expenses	**1,067**	826
Legal, consulting and regulatory expenses	**8,773**	4,378
Audit and tax advice expenses	**1,559**	1,155
Insurance expenses	**2,113**	2,125
	99,999	67,579
Impairment of CTS-EU:		
Loss on impairment of furniture and equipment	**27**	-
Loss on impairment of right-of-use assets	**163**	-
Loss on impairment of management rights	**185**	-
Loss on impairment of goodwill	**1,941**	-
Total expenses	**102,315**	67,579

FINANCE COSTS

Finance costs stated on the face of the profit or loss statement consist of $311k interest expense from lease liabilities (2022: $252k), $30k interest expense of lease makegood (2022: $29k), $97k of bank fees (2022: $70k), $450k of financing costs (2022: $290k) and $1,888k interest expense from borrowings (2022: $1,694k).

ACCOUNTING POLICIES

Expenses are measured at the fair value of the consideration paid or payable on an accrual basis, net of goods and services tax.

Borrowing costs

Borrowing costs are recognised in profit or loss in the period in which they are incurred, unless they relate to acquisition, construction or production of qualifying assets, in which case the costs are capitalised.

Share-based payments

Equity-settled share-based payments to employees are measured at the fair value of the equity instrument at the grant date. The Group has two types of equity-settled share-based payments: The Long-term Incentive Awards (LTI) and the Employee Share Acquisition Plan (ESAP).

Fair value of the LTI is measured by using an adjusted form of the Black-Scholes option pricing model that incorporates a Monte Carlo simulation analysis. The model has been modified to incorporate an estimate of the probability of achieving the performance hurdle and the number of Awards vesting. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Shares issued under the ESAP are valued at fair value determined at the date of issue to employees, this amount is expensed in the income statement with a corresponding entry in issued capital.

3 SEGMENT PERFORMANCE

Information reported to the Group's Managing Director (chief operating decision maker) for the purpose of resource allocation and assessment of performance is focused on the categories of services provided to customers. The principal categories of services are Trustee & Wealth Services, Superannuation Trustee Services, Corporate Trustee Services – Australia and Corporate Trustee Services – Europe. No operating segments have been aggregated in arriving at the reportable segments of the Group.

In the current period interest and managed fund distribution revenue has been attributed to each operating segment. Previously these amounts were treated as 'unallocated' for the purposes of segment reporting. These revenues are earned on regulatory and transactional cash held for and in these businesses and hence it is appropriate that they be allocated to the relevant segments. Prior year amounts have been amended to enhance comparability.

The Group's reportable segments, as determined in accordance with AASB 8 *Operating Segments*, are as follows:

Trustee & Wealth Services (TWS)

Provides a range of private client and philanthropic services including estate planning and management, charitable, compensation, community and personal trust services, and wealth management and advice. TWS operates within Australia.

Superannuation Trustee Services (STS)

Provides trustee, custody and investment management services for superannuation funds. STS operates within Australia.

Corporate Trustee Services – Australia (CTS-A)

Provides a range of global fiduciary services for managed investment schemes on behalf of local and international fund managers and sponsors, as well as specialised trustee services for debt, securitisations, custody and real estate arrangements for corporates.

Corporate Trustee Services – UK/Ireland (CTS-EU)

Provides Authorised Corporate Director (ACD), Alternative Investment Fund Manager (AIFM) and Undertakings for the Collective Investment in Transferable Securities (UCITS) Management Company services for funds on behalf of local and international managers and sponsors. CTS-EU operates within the United Kingdom and the Republic of Ireland.

The following is an analysis of the Group's revenue and results from continuing operations by reportable segment. These operating segments also constitute the major categories of services offered by the Group.

	2023 $'000	2022 $'000
Trustee & Wealth Services		
Private Client trustee services	**64,676**	46,766
Other services	**9,917**	4,203
Interest and managed fund distributions	**1,311**	214
Recoveries	**140**	180
	76,044	51,363
Superannuation Trustee Services		
Superannuation trustee services	**22,997**	20,659
Interest and managed fund distributions	**1,310**	215
Recoveries	**1,008**	-
	25,315	20,874
Corporate Trustee Services – Australia		
Fund governance and trustee services	**35,418**	36,078
Interest and managed fund distributions	**1,311**	214
Recoveries	**-**	211
	36,729	36,503
Corporate Trustee Services – UK/Ireland – Fund governance and trustee services	**3,201**	2,853
	141,289	111,593
Unallocated	**77**	(80)
Total revenue and other income per statement of profit or loss	**141,366**	111,513

The revenue reported above represents revenue generated from external customers. There were no inter-segment sales (2022: nil).

There were no discontinued operations (2022: nil).

No single customer accounts for 10% or more of the Group's revenue.

	2023 $'000	2022 $'000
Segment net profit/(loss) before tax		
Trustee & Wealth Services	**25,808**	17,092
Superannuation Trustee Services	**6,140**	5,310
Corporate Trustee Services – Australia	**15,912**	19,580
Corporate Trustee Services – UK/Ireland	**(6,460)**	(3,747)
	41,400	38,235
Unallocated[1]	**(10,548)**	(1,032)
Total net profit before tax per statement of profit or loss	**30,852**	37,203

[1]Unallocated includes amounts relating to M&A legal and advisory costs associated with the acquisition of AET, and major technology system replacement costs.

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment profit represents the contribution earned by each segment without the allocation of non-operating expenditure (including projects and acquisition-related expenditure) or income tax. These are the measures used by the chief operating decision maker for the purpose of resource allocation and assessing segment performance.

In the current period, interest and managed fund distribution revenue has been included within segment revenues. The amounts attributed to each operating segment are itemised in the above tables showing segment revenue and segment net profit/(loss). The inclusion of this information aligns to how this information is presented to the chief operating decision maker. Comparative information has correspondingly been restated.

For monitoring performance, the chief operating decision maker reviews balance sheet items for the Group as a whole. The Group's assets and liabilities are not allocated to the reportable segments for management reporting purposes.

4 INCOME TAXES

	2023 $'000	2022 $'000
Income tax expense comprises:		
Current income tax expense	**13,655**	12,607
Prior year tax adjustments recognised in the current year	**194**	1,465
Deferred tax adjustments relating to the origination and reversal of temporary differences	**(314)**	462
Total income tax expense	**13,535**	14,534
The income tax expense for the year can be reconciled to accounting profit as follows:		
Profit before tax from continuing operations	**30,852**	37,203
Income tax expense calculated at 30%	**9,255**	11,161
Unrecognised CTS-EU operating losses & the effect of different tax rates of subsidiaries operating in other jurisdictions	**2,273**	1,458
Non-deductible expenses	**1,837**	432
Non-assessable income	**(24)**	18
	13,341	13,069
Prior period adjustments and other deferred tax adjustments relating to the origination and reversal of temporary differences	**194**	1,465
Total income tax expense	**13,535**	14,534

The tax rate used in the above 2023 and 2022 reconciliations is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law. The Group's UK operations are subject to a corporate tax rate of 19% (increasing to 25% from 1 April 2023). The Group's Irish operations are subject to a corporate tax rate of 12.5%.

In 2022, the Group derecognised previously recognised deferred tax assets totalling $1,269k relating to the accrued tax losses of the Group's UK and Irish operations, increasing income tax expense by the same amount.

In 2023 the UK and Irish operations generated a combined total comprehensive loss of $7,658k (2022: $3,764k) before tax, but including impairment losses. No deferred tax assets have been recognised in relation to unused tax losses (2022: nil).

	2023 $'000	2022 $'000
Income tax expense/(credit) recognised directly in equity:		
Current tax:		
Share issue expenses deductible over 5 years	**(19)**	(8)
Deferred tax:		
Arising on transactions with equity participants:		
Share issue expenses deductible over 5 years	**(1,085)**	2
Total income tax recognised directly in equity	**(1,104)**	(6)
Current tax asset:		
Income tax receivable	**3,815**	-
Current tax liabilities:		
Income tax payable	**-**	1,765
Deferred tax balances are presented in the statement of financial position as follows:		
Deferred tax assets	**7,831**	4,504
Deferred tax liabilities	**(26,454)**	(21,305)

DEFERRED TAX ASSETS	OPENING BALANCE $'000	CHARGED TO INCOME $'000	CHARGED TO EQUITY $'000	OTHER $'000	CLOSING BALANCE $'000
2023					
Temporary differences					
Provisions	3,868	339	-	1,509	5,716
Expenditure deductible over 5 years	551	(297)	1,085	-	1,339
Furniture, equipment, leasehold and right-of-use assets	85	(235)	-	832	682
Unearned revenue	-	(63)	-	157	94
	4,504	**(256)**	**1,085**	**2,498**[1]	**7,831**
2022					
Temporary differences					
Provisions	3,383	485	-	-	3,868
Expenditure deductible over 5 years	491	62	(2)	-	551
Furniture, equipment, leasehold and right-of-use assets	223	(138)	-	-	85
Tax losses	1,279	(1,269)	-	(10)	-
	5,376	(860)	(2)	(10)	4,504

[1]Includes deferred tax assets of $1,722k recognised on acquisition of AET, relating to provisions ($1,509k), right-of-use-assets ($56k) and unearned revenue ($157k).

DEFERRED TAX LIABILITIES	OPENING BALANCE $'000	CHARGED TO INCOME $'000	CHARGED TO EQUITY $'000	OTHER $'000	CLOSING BALANCE $'000
2023					
Temporary differences					
Intangible assets[2]	(21,305)	(58)	-	(5,091)	(26,454)
	(21,305)	**(58)**	**-**	**(5,091)**	**(26,454)**
2022					
Temporary differences					
Intangible assets	(21,282)	(23)	-	-	(21,305)
	(21,282)	(23)	-	-	(21,305)

[2]Includes deferred tax liabilities of $5,091k recognised on acquisition of AET, relating to indefinite life management rights.

ACCOUNTING POLICIES

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on the Group's taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used to compute taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither taxable profit nor accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group can control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from how the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Tax consolidation

The Company and all its wholly-owned Australian resident entities are part of a tax-consolidated group under Australian taxation law. EQT Holdings Limited is the head entity in the tax-consolidated group and the other members are identified in Note 31. Tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the 'separate taxpayer within group' approach by reference to the carrying amounts in the separate financial statements of each entity and the tax values applying under tax consolidation. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and tax credits of the members of the tax-consolidated group are recognised by the Company (as head entity in the tax-consolidated group).

Due to the existence of a tax funding arrangement between the entities in the tax-consolidated group, amounts are recognised as payable to or receivable by each member of the tax-consolidated group in relation to the tax contribution amounts paid or payable between the parent entity and the other members of the tax-consolidated group in accordance with the arrangement.

Entities within the tax-consolidated group have entered into a tax funding arrangement and a tax sharing agreement with the head entity. The Company and each of the entities in the tax-consolidated group have agreed to pay a tax equivalent payment to or from the head entity, based on the current tax liability or current tax asset of the entity. The tax sharing agreement entered into between members of the tax-consolidated group provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations or if an entity should leave the tax-consolidated group. The effect of the tax sharing agreement is that each member's liability for the tax payable by the tax-consolidated group is limited to the amount payable to the head entity under the tax funding arrangement.

Subsidiaries operating in the United Kingdom and Ireland do not consolidate into a tax-consolidated group.

Investment in tax-consolidated group

Under Australian tax law, the taxable profit made by a tax-consolidated group in relation to an entity leaving the Group depends on a range of factors, including the tax values and/or carrying values of assets and liabilities of the leaving entity, which vary in line with the transactions and events recognised in each entity. The taxable profit or loss ultimately made on any disposal of the investments within the tax-consolidated group will therefore depend upon when each entity leaves the tax-consolidated group and the assets and liabilities that the leaving entity holds at that time.

Because the consolidated entity has no current intention to dispose of any subsidiaries within the Group, a deferred tax liability has not been recognised in relation to investments within the tax-consolidated group.

5 EARNINGS PER SHARE

The Company has one class of ordinary shares.

ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	2023 CENTS PER SHARE	2022 CENTS PER SHARE
Basic earnings per share	**73.94**	113.94
Diluted earnings per share	**73.66**	113.60

ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	2023 $'000	2022 $'000
Net profit after tax attributable to equity holders of the Company	**18,833**	24,228

	2023 NO. '000	2022 NO. '000
Weighted average number of ordinary shares for the purposes of basic earnings per share	**25,472**	21,264
Shares deemed to be issued for no consideration in respect to employee share entitlements	**95**	63
Weighted average number of ordinary shares for the purposes of diluted earnings per share	**25,567**	21,327

The weighted average number of shares for basic and diluted earnings per share for the year ended 30 June 2022 have been adjusted for the rights issue that occurred during the year ended 30 June 2023.

ACCOUNTING POLICIES

Basic earnings per share is calculated by dividing the net profit after tax attributable to the equity holders of the Company by the weighted average number of ordinary shares outstanding for the year.

Diluted earnings per share is calculated by dividing the net profit after tax attributable to the equity holders of the Company by the weighted average number of ordinary shares outstanding for the year, adjusted for shares deemed to be issued for no consideration, in respect to employee share entitlements.

6 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

RECONCILIATION OF PROFIT FOR THE YEAR TO NET CASH FLOWS FROM OPERATING ACTIVITIES

	2023 $'000	2022 $'000
Profit for the year	**17,317**	22,669
Income tax expense recognised in profit and loss	**13,535**	14,534
Depreciation of non-current assets	**3,392**	2,648
Amortisation of non-current assets	**2,031**	1,748
Impairment of furniture and equipment	**27**	-
Impairment of right-of-use assets	**163**	-
Impairment of management rights	**185**	-
Impairment of goodwill	**1,941**	-
Equity-settled share-based payments	**410**	1,328
Interest income received and receivable	**(3,932)**	(643)
Foreign currency (gain)/loss	**6**	85
	35,075	42,369
Movements in working capital		
(Increase)/decrease in trade and other receivables[1]	**(6,869)**	1,890
(Increase)/decrease in other assets[1]	**(2,592)**	1,981
Increase/(decrease) in trade and other payables	**424**	(36)
Increase/(decrease) in other provisions	**2,376**	987
Cash generated from operations	**28,414**	47,191
Income taxes paid	**(19,558)**	(13,597)
Net cash generated by operating activities	**8,856**	33,594

[1]In the current period, certain amounts previously classified as other receivables were reclassified to accrued income. Refer to Note 19 for further information.

NON-CASH FINANCING ACTIVITIES

Non-cash financing activities during the year were dividend reinvestments of $3,625k (2022: $3,292k).

ACCOUNTING POLICIES

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

During the current period, the Group has presented certain financing and operating cash flows differently to the way they were presented in the comparative period. Prior year comparatives have not been reclassified, as the effect on the prior year is not considered to be significant.

OPERATING ASSETS AND LIABILITIES

7 INTANGIBLE ASSETS

	COMPUTER SOFTWARE $'000	MANAGEMENT RIGHTS $'000	BRAND $'000	TOTAL $'000
Gross carrying amount				
Balance at 1 July 2021	9,383	88,923	-	98,306
Additions	680	-	-	680
Effect of foreign currency exchange differences	3	(9)	-	(6)
Balance at 30 June 2022	10,066	88,914	-	98,980
Additions[1]	2,926	65,500	5,300	73,726
Effect of foreign currency exchange differences	-	13	-	13
Impairment	-	(185)	-	(185)
Disposals	(1,166)	-	-	(1,166)
Balance at 30 June 2023	**11,826**	**154,242**	**5,300**	**171,368**
Accumulated amortisation and impairment				
Balance at 1 July 2021	8,264	11,260	-	19,524
Amortisation expense	723	1,025	-	1,748
Balance at 30 June 2022	8,987	12,285	-	21,272
Disposals	(1,166)	-	-	(1,166)
Amortisation expense	392	1,639	-	2,031
Balance at 30 June 2023	**8,213**	**13,924**	**-**	**22,137**
Net book value				
As at 30 June 2022	1,079	76,629	-	77,708
As at 30 June 2023	**3,613**	**140,318**	**5,300**	**149,231**

[1]Management right and brand additions relate to the Group's acquisition of AET. Refer to note 13 for further details.

	2023 $'000	2022 $'000
Aggregate amortisation recognised as an expense during the year:		
Amortisation of computer software	**392**	723
Amortisation of management rights	**1,639**	1,025
Total amortisation expense	**2,031**	1,748

Amortisation expense is included in the line item 'depreciation and amortisation expenses' in the consolidated statement of profit or loss and other comprehensive income.

SIGNIFICANT INTANGIBLE ASSETS

The Group holds the following significant management rights and customer contract intangibles. All of these are externally generated intangible assets.

	2023 $'000	2022 $'000
Indefinite life	**89,812**	73,014
Fixed life	**55,806**	3,615
	145,618	76,629

The indefinite and fixed life intangibles in the above table have been allocated for impairment testing purposes to the TWS, STS and CTS-A cash-generating units. Details of cash-generating units, the value-in-use calculation of the recoverable amounts and key assumptions are contained in Note 8. Management has reviewed the useful life of the intangibles and has determined that these indefinite life intangibles continue to have indefinite lives.

In undertaking this review, management has considered the economic, competitive and regulatory environment in relation to the Group, the contractual rights and contractual relationships in relation to these indefinite life intangibles, and the ability of the indefinite life intangibles to continue to have value into the foreseeable future.

ACCOUNTING POLICIES

Intangible assets acquired separately

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Internally generated intangible assets – research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally generated intangible assets is the sum of the expenditure incurred from the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

After initial recognition, internally generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost). After initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation (for finite life intangibles) and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Management rights and customer contract intangibles

Management rights and customer contract intangibles arising in relation to acquisitions are carried at cost as non-current intangible assets. Where the management rights and customer contract intangibles have an indefinite useful life, they are not amortised but are subject to an ongoing impairment test. Where the management rights and customer contract intangibles have a finite useful life, they are recorded at cost less accumulated amortisation and accumulated impairment. Amortisation is charged on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period, with any changes in these accounting estimates being accounted for on a prospective basis.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Useful lives of finite life intangible assets

The following useful lives are used in the calculation of amortisation expense:

Software	1 – 10 years
Management rights and customer contract intangibles	1 – 25 years

Impairment

At each reporting date, the Group reviews the carrying amounts of its intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the asset's recoverable amount is estimated to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units. Otherwise, they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are required to be tested for impairment annually and whenever there is an indication that the asset may be impaired. Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

8 GOODWILL

	2023 $'000	2022 $'000
Cost	**183,252**	127,541
Accumulated impairment losses	**(1,941)**	-
	181,311	127,541
Balance at beginning of the financial year	**127,541**	127,622
Amounts recognised during the year	**55,563**	-
Impairment losses for the year	**(1,941)**	-
Effect of foreign currency exchange differences	**148**	(81)
	181,311	127,541

During 2023, following an assessment of recoverable amount, the Group determined that the goodwill of $1,941k allocated to CTS-EU was impaired (2022: nil).

ALLOCATION OF GOODWILL TO CASH-GENERATING UNITS

The carrying amount of goodwill was allocated to the following cash-generating units:

	2023 $'000	2022 $'000
Corporate Trustee Services – Australia (CTS-A)	**3,680**	3,680
Corporate Trustee Services – UK/Ireland (CTS-EU)	**-**	1,798
Trustee & Wealth Services (TWS)	**164,507**	108,939
Superannuation Trustee Services (STS)	**13,124**	13,124
	181,311	127,541

Corporate Trustee Services – Australia (CTS-A)

The recoverable amount of the CTS-A cash-generating unit is determined based on a value-in-use calculation which uses cash flow projections based on management's forecast covering a five-year period, together with a terminal value based on management's view of an appropriate rate of growth. Cash flow projections for the CTS CGU utilise year on year EBITDA growth rates of between 8.3% and 11.2% over the forecast period. These cash flows are discounted using a pre-tax rate of 12.94% (2022: 13.56%), and a terminal growth rate of 2.5%. Management believes that any reasonably possible change in the key assumptions on which the recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the CTS-A cash-generating unit.

The key assumptions used in the value-in-use calculations are the growth rate of funds under supervision, basis point fee levels, and expense growth rate. These assumptions are evaluated each year to ensure their ongoing appropriateness.

Corporate Trustee Services – UK/Ireland (CTS-EU)

During the current period the Group identified indicators of impairment associated with the CTS-EU cash generating unit. A recoverability analysis was subsequently prepared in which it was determined that the carrying value of goodwill and related management right intangible assets should be written down to nil. In formulating the recoverability analysis during the current period, regard has been given to CTS-EU's performance since acquisition in late 2017, the prospective business pipeline, as well as market, and operating environment factors.

Subsequent to 30 June 2023, the Group has also announced that it has made the strategic decision to exit from its UK and Ireland businesses.

Trustee & Wealth Services (TWS)

The recoverable amount of the TWS cash-generating unit is determined based on a value-in-use calculation which uses cash flow projections based on management's forecast covering a five-year period, together with a terminal value based on management's view of an appropriate rate of growth. Cash flow projections for the TWS CGU utilise year on year EBITDA growth rates between 9.0% and 9.4% over the forecast period (excluding AET related revenue and expense synergies), and a terminal growth rate of 2.5%. These cash flows are discounted using a pre-tax rate of 12.94% (2022: 13.56%). Management believes that any reasonably possible change in the key assumptions on which the recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the TWS cash-generating unit.

The key assumptions used in the value-in-use calculations are the growth rate of funds under management, advice, administration and supervision, and growth in ongoing services revenue, growth in one-off advisory services and expense growth rate. These assumptions are evaluated each year to ensure their ongoing appropriateness.

Superannuation Trustees Services (STS)

The recoverable amount of the STS cash-generating unit is determined based on a value-in-use calculation which uses cash flow projections based on management's forecast covering a five-year period, together with a terminal value based on management's view of an appropriate rate of growth. Cash flow projections for the STS CGU utilise year on year EBITDA growth rates between 9.5% and 10.0% over the forecast period, and a terminal growth rate of 2.5%. These cash flows are discounted using a pre-tax rate of 12.94% (2022: 13.56%). Management believes that any reasonably possible change in the key assumptions on which the recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the STS cash-generating unit.

The key assumptions used in the value-in-use calculations are the growth rate of funds under supervision and growth in ongoing services revenue, growth in one-off advisory services and expense growth rate. These assumptions are evaluated each year to ensure their ongoing appropriateness.

Sensitivity to changes in key assumptions

CGUs other than CTS-EU have been assessed as having no impairment in the current and prior years. The Group has evaluated the sensitivity of cash-generating unit recoverable amounts, and their related headroom over the carrying value of cash-generating unit assets, to consider reasonably possible changes in key assumptions.

Consideration has been given to current economic and market conditions, and the Group's view of future cash flows and growth rates. Adjustments have been made to recoverable amount calculations where appropriate to take these factors into account.

The following changes to headroom are reasonably possible, while holding all other assumptions constant:

INPUT	REASONABLY POSSIBLE MOVEMENT	TWS	STS	CTS-A
WACC	+50 basis points	Reduces headroom by $27,209k, no impairment	Reduces headroom by $9,965k, no impairment	Reduces headroom by $16,479k, no impairment
Terminal growth rate	-50 basis points	Reduces headroom by $21,973k, no impairment	Reduces headroom by $8,066k, no impairment	Reduces headroom by $13,314k, no impairment
Revenue growth rate	-100 basis points	Reduces headroom by $36,672k, no impairment	Reduces headroom by $11,095k, no impairment	Reduces headroom by $14,861k, no impairment

The combined effect of the above reasonably possible changes results in a further reduction of headroom for TWS, STS and CTS but does not result in the carrying amount exceeding the recoverable amount.

ACCOUNTING POLICIES

Goodwill arising on an acquisition of a business is carried at cost as established at the date of the acquisition of the business (Note 13) less accumulated impairment losses, if any. For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss in the consolidated income statement. An impairment loss recognised for goodwill is not reversed in subsequent periods. On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

9 FURNITURE, EQUIPMENT AND LEASEHOLD

	COMPUTER HARDWARE & EQUIPMENT AT COST $'000	LEASEHOLD IMPROVEMENTS AT COST $'000	OFFICE FURNITURE & EQUIPMENT AT COST $'000	TOTAL $'000
Gross carrying amount				
Balance at 1 July 2021	2,371	6,521	1,052	9,944
Additions	202	1,514	166	1,882
Balance at 30 June 2022	2,573	8,035	1,218	11,826
Additions	624	413	74	1,111
Impairment	(126)	-	(53)	(179)
Disposals	(1,251)	(392)	(232)	(1,875)
Balance at 30 June 2023	**1,820**	**8,056**	**1,007**	**10,883**
Accumulated depreciation and Impairment				
Balance at 1 July 2021	1,538	2,905	558	5,001
Effect of foreign currency exchange differences	(3)	-	-	(3)
Depreciation expense	505	775	108	1,388
Balance at 30 June 2022	2,040	3,680	666	6,386
Disposals	(1,251)	(392)	(232)	(1,875)
Impairment	(107)	-	(44)	(151)
Effect of foreign currency exchange differences	7	-	2	9
Depreciation expense	457	926	140	1,523
Balance at 30 June 2023	**1,146**	**4,214**	**532**	**5,892**
Net book value				
As at 30 June 2022	533	4,355	552	5,440
As at 30 June 2023	**674**	**3,842**	**475**	**4,991**

	2023 $'000	2022 $'000
Aggregate depreciation recognised as an expense during the year:		
Computer hardware and equipment	**457**	505
Leasehold improvements	**926**	775
Office furniture and equipment	**140**	108
Right-of-use assets (Note 10)	**1,869**	1,260
Total depreciation expense	**3,392**	2,648

No depreciation was capitalised.

Depreciation expense is included in the line item 'depreciation and amortisation' of the statement of profit or loss and other comprehensive income.

ACCOUNTING POLICIES

Furniture, equipment and leasehold improvements are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation on furniture and equipment is recognised so as to write off the cost or valuation of the assets less their residual values over their useful lives, using the straight-line method. Leasehold improvements are depreciated over the period of the lease or estimated useful life (whichever is shorter), using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, with the effect of any changes recognised on a prospective basis.

An item of furniture, equipment or leasehold improvement is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on disposal or retirement of an item of furniture, equipment or leasehold improvement is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Useful lives used in the calculation of depreciation

The following useful lives are used in the calculation of depreciation:

Computer hardware and equipment	1 – 6 years
Office furniture and equipment	1 – 10 years
Leasehold improvements	2 – 10 years
Right-of-use assets (Note 10)	2 – 10 years

Impairment

At each reporting date, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units. Otherwise, they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

10 LEASES

The Group's material lease arrangements relate predominantly to its operating premises throughout Australia and in London, United Kingdom, and Dublin, Ireland.

RIGHT-OF-USE ASSETS

The carrying amount of assets acquired under lease arrangements is as follows:

	RIGHT-OF-USE ASSETS AT COST $'000
Gross carrying amount	
Balance at 1 July 2021	12,043
Additions	3,007
Lease modifications	(349)
Disposals	(2,075)
Effect of foreign currency exchange differences	(29)
Balance at 30 June 2022	12,597
Additions	1,488
Acquired leases	2,044
Disposals	(865)
Impairment	(581)
Balance at 30 June 2023	**14,683**
Accumulated depreciation and impairment	
Balance at 1 July 2021	6,722
Disposals	(2,075)
Lease modifications	(83)
Effect of foreign currency exchange differences	(16)
Depreciation expense	1,260
Balance at 30 June 2022	5,808
Impairment	(417)
Effect of foreign currency exchange differences	12
Depreciation expense	1,869
Balance at 30 June 2023	**7,272**
Net book value	
As at 30 June 2022	6,789
As at 30 June 2023	**7,411**

LEASE RELATED LIABILITIES

Liabilities recognised as a result of the Group's lease arrangements are as follows:

	2023 $'000	2022 $'000
Current		
Lease-related liabilities (Note 12)	**2,863**	1,698
Non-current		
Lease-related liabilities (Note 12)	**6,952**	7,743
	9,815	9,441

The following table details the Group's maturities for its lease arrangements.

	LESS THAN 1 MONTH $'000	1-3 MONTHS $'000	3 MONTHS TO 1 YEAR $'000	1-5 YEARS $'000	5+ YEARS $'000
2023					
Non-cancellable operating lease payments	261	526	2,406	6,666	752
	261	**526**	**2,406**	**6,666**	**752**
2022					
Non-cancellable operating lease payments	129	297	1,521	7,050	1,237
	129	297	1,521	7,050	1,237

Amounts recognised in the profit or loss for leases in the current and prior year are:

	2023 $'000	2022 $'000
Depreciation expense on right-of-use assets	**1,869**	1,260
Interest expense on lease liabilities	**285**	281
Expense relating to short-term leases	**208**	229
Expense relating to leases of low-value assets	**122**	175
	2,484	1,945

The total cash outflow for leases amounted to $3,280k (2022: $2,074k).

ACCOUNTING POLICY

The Group assesses whether a contract is or contains a lease at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets (such as personal computers, office furniture and printing equipment). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable.
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date.
- The amount expected to be payable by the Group under residual value guarantees.
- The exercise price of purchase options if the Group is reasonably certain to exercise the options.
- Payments of penalties for terminating the lease if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented in the consolidated statement of financial position within the line items: ‘other current liabilities’ and ‘other non-current liabilities.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

In the prior financial year, a change in circumstances for a lease has resulted in the Group derecognising a right-of-use asset and associated lease liability. The right-of-use asset was valued at $350k. Other than this derecognition, the Group did not make any other adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost, less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under AASB 137. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented separately in the consolidated statement of financial position.

The Group applies AASB 136 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

As a practical expedient, AASB 16 permits a lessee to not separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For contracts containing a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component based on the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

11 PROVISIONS

	2023 $'000	2022 $'000
Current		
Employee benefits (Note 24)	**11,892**	7,864
Other provisions[1]	**1,695**	1,661
	13,587	9,525
Non-current		
Employee benefits (Note 24)	**4,576**	2,206
Leasehold makegood	**937**	907
	5,513	3,113

[1]Accrued interest expense previously classified as other provisions has been reclassified to borrowings. Refer to Note 14 for further information.

	MAKEGOOD $'000	OTHER PROVISIONS $'000	EMPLOYEE BENEFITS (NOTE 24) $'000	TOTAL $'000
Balance at 1 July 2022	907	1,661	10,070	12,638
Net additional provisions recognised	30	34	1,829	1,893
Decrease arising from payments	-	-	(767)	(767)
Other movements[2]	-	-	5,336	5,336
Balance at 30 June 2023	**937**	**1,695**	**16,468**	**19,100**

[2]Includes provisions of $5,336k recognised on acquisition of AET.

The leasehold makegood provision represents the present value of the Directors' best estimate of the future outflow of economic benefits that will be required to settle the Group's obligations to make good its leased premises at the end of the leases.

Other provisions includes the Directors' best estimate of amounts required to meet employee, fringe benefit tax and other trade payment obligations owing.

Employee benefits includes provisions for annual leave, long service leave and bonuses.

ACCOUNTING POLICIES

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material). When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

12 OTHER LIABILITIES

	2023 $'000	2022 $'000
At amortised cost		
Current		
Corpus commission collected but not earned	**311**	2
Lease-related liabilities	**2,863**	1,698
Other liabilities	**1,701**	1,128
	4,875	2,828
Non-current		
Lease-related liabilities	**6,952**	7,743
Corpus commission collected but not earned	**35**	35
Other liabilities	**89**	-
	7,076	7,778

13 BUSINESS COMBINATIONS

ACQUISITION OF BUSINESSES

Year ended 30 June 2023

Acquisition of Australian Executor Trustees Limited (AET)

On 22 August 2022, the Group announced that it had agreed to acquire 100% of the shares of AET and its subsidiary AET PAF Pty Ltd from SFG Australia Limited, a subsidiary of Insignia Financial Limited (ASX: IFL). AET is a traditional trustee company, headquartered in Adelaide, South Australia, with operations in South Australia, Western Australia, and to a lesser extent in Victoria, Queensland and New South Wales. The acquisition adds further scale, expertise and geographic breadth to the TWS segment, with approximately $7.2b in funds under management, administration and supervision. The acquisition completed on 30 November 2022. AET forms part of the TWS and STS operating segments.

CONSIDERATION	AET $'000
Cash consideration in exchange for ordinary shares[1]	132,633
Total cash	**132,633**

[1]Cash consideration shown is the net of the $135,000k purchase price agreed for the acquisition of AET, less the completion adjustment paid to EQT of $2,367k in finalising the acquisition.

ASSETS ACQUIRED AND LIABILITIES ASSUMED AT THE DATE OF ACQUISITION	AET $'000
Cash and cash equivalents	9,200
Trade and other receivables	5,133
Prepayments	39
Accrued income	1,896
Furniture, equipment and leasehold	291
Right-of-use assets	2,044
Deferred tax assets	1,722
Intangible assets	70,800
Liabilities	
Provisions	(5,336)
Deferred tax liabilities	(5,091)
Other liabilities	(3,628)
Net assets	**77,070**

GOODWILL ARISING ON ACQUISITION	AET $'000
Consideration	132,633
Less fair value of identifiable net assets acquired	(77,070)
Goodwill arising on consolidation	**55,563**

Goodwill arose in relation to the acquisition of AET and this included a control premium. In addition, the consideration paid effectively includes amounts in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce of AET. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria.

None of the goodwill acquired is expected to be deductible for income tax purposes.

NET CASH OUTFLOW ARISING ON ACQUISITION	AET $'000
Consideration paid in cash	132,633
Less cash and cash equivalent balances acquired	(9,200)
	123,433

IMPACT OF ACQUISITION ON THE RESULTS OF THE GROUP	AET $'000
Amounts included in revenue for the year ended 30 June 2023	22,453
Amounts included in profit before tax for the year ended 30 June 2023	7,335

During the year ended 30 June 2023, the Group incurred $3,828k of M&A advisory and legal costs in relation to the acquisition of the AET (2022: the Group incurred $183k of costs in relation to merger and acquisition activities that ultimately did not proceed).

Year ended 30 June 2022

No acquisitions were made in the year ended 30 June 2022.

ACCOUNTING POLICIES

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- Deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with AASB 112 *Income Taxes* and AASB 119 *Employee Benefits* respectively.
- Liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with AASB 2 *Share-based Payments* at the acquisition date.
- Assets (or disposal groups) that are classified as held for sale in accordance with AASB 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another Standard.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

CAPITAL STRUCTURE

14 BORROWINGS

	2023 $'000	2022 $'000
Unsecured, at amortised cost[1]		
Corporate facility	**37,207**	10,046
Operational Risk Financial Requirement (ORFR) facilities	**13,412**	31,013
	50,619	41,059

[1]Accrued interest expense on borrowings previously classified as other provisions has been reclassified to borrowings in the current and prior period numbers presented in the above table.

CORPORATE FACILITY

LENDER	FACILITY TERM	FACILITY LIMIT $'000	AMOUNT USED $'000
2023			
Australian & New Zealand Banking Group Limited	3 Years	40,000	22,000
Australian & New Zealand Banking Group Limited	2 Years	40,000	15,000
		80,000	**37,000**
2022			
Australian & New Zealand Banking Group Limited	3 Years	40,000	10,000
		40,000	10,000

The weighted average effective interest rate on the corporate facility drawn down loans is 5.6% per annum (2022: 2.6%).

OPERATIONAL RISK FINANCIAL REQUIREMENT (ORFR) FACILITIES

The Group enters into borrowing arrangements in relation to certain superannuation trustee activities. Some superannuation funds are configured such that some or all of the Operational Risk Financial Requirements (ORFR) (a superannuation prudential requirement) are held on the superannuation trustee balance sheets as Tier 1 common equity, rather than within the superannuation funds themselves.

Where it has been determined that an ORFR will be met via capital held on the trustee balance sheet, the Group may enter into special purpose, limited recourse borrowing arrangements to fund these requirements and appropriately capitalise the respective trustee entities. At 30 June 2023, of the total cash held of $99,690k, $13,200k was held for ORFR-related purposes (30 June 2022: total cash of $108,316k, $31,005k held for ORFR purposes).

LENDER	FACILITY TERM	FACILITY LIMIT $'000	AMOUNT USED $'000
2023			
AMP Life[1]	5 Years	6,600	5,400
Centric[1]	5 Years	5,000	1,000
Colonial Mutual Life Assurance Society Limited (CMLA)[1]	5 Years	9,000	6,800
HUB24	3 Years	15,000	-
		35,600	**13,200**
2022			
Aracon	3 Years	1,000	405
AMP Life[1]	5 Years	6,600	6,600
Centric[1]	5 Years	5,000	1,000
Colonial Mutual Life Assurance Society Limited (CMLA)[1]	5 Years	9,000	8,000
HUB24	3 Years	15,000	15,000
		36,600	31,005

[1]Amounts repaid in relation to this facility cannot be reborrowed.

The weighted average effective interest rate on all drawn down loans is 5.7% per annum (2022: 6.6%).

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	2022 $'000	CASH FLOWS $'000	NON-CASH CHANGES $'000	2023 $'000
Corporate facility	10,000	27,000	-	**37,000**
Operational Risk Financial Requirement (ORFR) facilities	31,005	(17,805)	-	**13,200**
Lease liabilities (Note 10)	9,441	(2,290)	2,664	**9,815**
Total liabilities from financing activities	50,446	6,905	2,664	**60,015**

15 ISSUED CAPITAL

	2023 $'000	2022 $'000
26,505,899 fully paid ordinary shares (2022: 21,125,581)	**384,336**	257,558

Changes to the then-Corporations Law abolished the authorised capital and par value concept in relation to share capital from 1 July 1998. Therefore, the Company does not have a limited amount of authorised capital and issued shares do not have a par value.

	2023 NO. '000	2023 $'000	2022 NO. '000	2022 $'000
Fully paid ordinary shares				
Balance at beginning of financial year	**21,126**	**257,558**	20,980	253,621
Shares issued under employee share scheme	**8**	**198**	7	209
Shares issued under executive share scheme	**12**	**344**	16	357
Shares issued under employee salary sacrifice	**3**	**75**	4	98
Shares issued under dividend reinvestment plan	**144**	**3,625**	119	3,292
Shares issued for Australian Executor Trustees (AET) acquisition	**5,213**	**125,113**	-	-
Share issue costs net of tax	**-**	**(2,577)**	-	(19)
Balance at end of financial year	**26,506**	**384,336**	21,126	257,558

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

SHARE AWARDS

In accordance with the provisions of the EQT Holdings Limited Executive Performance Share Plan 1999 (the Plan), as at 30 June 2023, eligible executives have share entitlements over 161,779 ordinary shares (2022: 159,885) in aggregate. Further details of the Plan are contained in the Remuneration Report within the Directors' Report.

16 RESERVES

	EMPLOYEE EQUITY-SETTLED BENEFITS RESERVE $'000	CAPITAL RESERVE $'000	CURRENCY TRANSLATION $'000	TOTAL $'000
Balance at 1 July 2022	1,915	350	(237)	2,028
Shares issued	(542)	-	-	(542)
Movement in reserve	334	-	698	1,032
Balance at 30 June 2023	**1,707**	**350**	**461**	**2,518**

EMPLOYEE EQUITY-SETTLED BENEFITS RESERVE

The employee equity-settled benefits reserve arises on the granting of share entitlements to eligible employees under the EQT Holdings Limited Executive Performance Share Plan 1999 (the Plan – refer to the Remuneration Report in the Directors' Report for details) and on the provision for shares to be issued to staff under the Employee Share Acquisition Plan (ESAP). The ESAP is in place to allow eligible employees to participate in share allotments as approved by the Board on an ongoing basis as deemed appropriate. There is $435,000 provided for ESAP in 2023 (2022: $250,000). The balance of the reserve relates to entitlements under the LTI plan.

CAPITAL RESERVE

Certain entities within the Group hold capital reserves, which were formerly required in relation to their Registrable Superannuation Entity (RSE) licence requirements. These capital reserves were an interim measure until the superannuation funds for which these entities act as RSE had fully established their Operational Risk Financial Requirement reserves. These reserves are no longer separately required and accordingly, the Group intends to transfer the balance out and close this reserve.

17 DIVIDENDS

FULLY PAID ORDINARY SHARES	DATE OF PAYMENT	CENTS PER SHARE	TOTAL $'000
Recognised amounts			
2023			
Interim 2023 dividend (fully franked)	31 March 2023	49	12,950
2022			
Interim 2022 dividend (fully franked)	29 March 2022	48	10,109
Final 2022 dividend (fully franked)	10 October 2022	49	12,916
Unrecognised amounts			
2023			
Final 2023 dividend (fully franked)	9 October 2023	50	13,253

	2023 $'000	2022 $'000
Franking account balance at 1 July	**22,175**	17,140
Tax paid	**19,558**	13,597
Franking credits received	**-**	-
Franking credits attached to interim and final dividends	**(11,085)**	(8,562)
Franking account balance at 30 June	**30,648**	22,175
Franking credits that will arise from income tax payable at reporting date	**1,532**	1,765
Franking credits to be attached to dividends declared but not recognised	**(5,680)**	(4,436)
Adjusted franking account balance	**26,500**	19,504

CASH AND WORKING CAPITAL

18 CASH AND CASH EQUIVALENTS

For the purpose of the cash flow statement, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the consolidated statement of financial position as follows:

	2023 $'000	2022 $'000
Cash and cash Equivalents	**99,690**	108,316

OPERATIONAL RISK FINANCIAL REQUIREMENT (ORFR) CASH

Certain group subsidiaries are obliged to have, on issue, specified amounts of Common Equity Tier 1 (CET1), to meet a portion of the total operational risk financial requirement reserves of superannuation funds for which those subsidiaries act as the Registrable Superannuation Entity (RSE) Licensee. These issuances of CET1 capital are backed by equivalent cash holdings, which are held in segregated bank accounts and are solely for the purpose of meeting any operational risk events of those particular superannuation funds. CET1 issued for the purpose of meeting ORFR requirements at 30 June 2023 is $13,200k (2022: $31,005k). The cash amounts associated with this capital form part of the total cash and cash equivalents disclosed in this note.

ACCOUNTING POLICIES

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and have a maturity of three months or less at the date of acquisition.

19 TRADE AND OTHER RECEIVABLES

	2023 $'000	2022 $'000
Current		
Trade receivables	**15,922**	7,288
Loss allowance on trade receivables	**(36)**	(16)
Other receivables	**4,715**	2,043
	20,601	9,315
Non-current		
Other receivables	**1,725**	769
	1,725	769
Trade receivables – ageing of past due receivables		
Under 30 days	**950**	1,665
30-60 days	**1,161**	491
Over 60 days	**1,891**	1,870
	4,002	4,026

Following a review of balances from the comparative period, other current receivables of $5.7m have been reclassified to accrued income. Management consider that the revised classification is a more appropriate reflection of the nature of these assets.

The following table sets out the movement in lifetime expected credit losses (ECL) that has been recognised for trade receivables in accordance with the simplified approach adopted under AASB 9.

	2023 $'000	2022 $'000
Movement in expected credit losses		
Balance at beginning of the year	**(16)**	(21)
Change in loss allowance due to new trade receivables originated net of those derecognised due to settlement (collectively assessed)	**(36)**	(16)
Amounts written off (individually assessed)	**-**	3
Amounts subsequently recovered (individually assessed)	**16**	18
Balance at end of year	**(36)**	(16)

ACCOUNTING POLICIES

Trade receivables are classified as at amortised cost and include any attributable goods and services tax (GST). The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables as appropriate.

The terms of payment for all trade receivables is 14 days from invoice date. All accounts receivable outstanding more than 30 days are monitored and actively managed. No interest is charged on trade receivables.

Before accepting significant new clients, the credit worthiness of these clients is assessed by either Executive Management, the Due Diligence Committee (DDC), and/or the board of the subsidiary entity intended to provide the service, depending on the type of client. Other new client credit worthiness is assessed by business managers as is appropriate to the size and nature of those clients and whether the client has funds deposited with the Group from which the Group is permitted to withdraw payment of its fees.

The Group always measures the loss allowance for trade receivables at an amount equal to lifetime expected credit loss (ECL). For the Trustee & Wealth Services segment, the Group has recognised a loss allowance of 100% against all receivables over 90 days past due, because historical experience has indicated that these receivables are generally not recoverable. For the Corporate Trustees Services and Superannuation Trustee Services segments, a loss allowance is recognised for receivables over 90 days past due equal to lifetime ECL. There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

Other receivables include corpus commission, managed scheme distributions and interest receivable. These receivables are with Australian banks, Australian managed investment schemes and client accounts administered by the Group. These amounts are all considered recoverable.

The concentration of credit risk is generally considered to be limited due to the customer base being large and unrelated. Accounting policies relating to impairment of financial assets are further described in Note 22.

20 OTHER FINANCIAL ASSETS

	2023 $'000	2022 $'000
Classified as at fair value through profit or loss (FVTPL):		
Managed investment schemes	**10,000**	10,000
	10,000	10,000

As at 30 June 2023 and 30 June 2022 the Group held investments in the EQT Wholesale Mortgage Income Fund, which is managed by the Group. The investments are held to allow the Group to obtain a more competitive rate of return on excess cash held for regulatory capital requirements.

21 CURRENT TRADE AND OTHER PAYABLES

	2023 $'000	2022 $'000
Trade payables	**2,106**	680
Goods and services tax payable	**910**	724
Other payables	**1,244**	1,038
	4,260	2,442

ACCOUNTING POLICIES

Trade payables are initially recognised at fair value, inclusive of any attributable GST.

The Group's policy regarding trade payables is to pay all invoices by the due date. No interest charges have been incurred on trade payables.

RISK MANAGEMENT

22 FINANCIAL RISK MANAGEMENT

a) Capital risk management

The Group manages its capital to ensure that entities within the Group will be able to continue on a going concern basis while balancing the achievement of shareholder returns with prudent management of resources, achieving its long-term strategy, meeting the financial requirements imposed by regulatory authorities and maintaining financial covenants required by lenders.

Entities in the Group hold Australian Financial Services Licences (AFSL) and Registrable Superannuation Entity (RSE) Licences, as well as authorisations from the Financial Conduct Authority in the UK and the Central Bank of Ireland in Ireland ('the Licenced Entities'). Licenced Entities are subject to regulatory financial requirements in relation to their licenses and authorisations. The Group is also subject to financial covenants in relation to its borrowings. Apart from the foregoing, there are no other externally imposed capital requirements for the Group.

For the 2023 financial year, the Licenced Entities must maintain minimum levels of capital in accordance with the conditions that apply under their individual licenses. In Australia, these requirements include minimum net tangible asset (NTA) requirements; in the UK and Ireland, these requirements include minimum levels of capital adequacy. All capital requirements also contain a minimum requirement for liquidity. The Group continuously monitors the capital position of each Licenced Entity.

The Group's capital management strategy generally is to maintain a conservative balance sheet with low gearing. The Group continually reviews funding options to ensure it is optimising both the use and mix of its capital to achieve its capital management objectives. As at 30 June 2023, the gearing percentage (debt to equity), excluding Operational Risk Financial Requirement (ORFR) facility borrowings, was 9.4% (2022: 6.3%). Including ORFR facility borrowings, the gearing percentage (debt to equity) was 12.7% (2022: 14.6%).

The Group's policy is to fund its normal activities from operating cash flows. Any substantial requirements such as a major business acquisition shall be funded using a suitable mix of accumulated cash surpluses, debt facilities, and equity funding raised through the issue of ordinary shares in the listed holding company, EQT Holdings Limited. This policy is regularly reviewed considering the Group's long-term strategy, prudent management of resources, dividend policy, market conditions, changing regulatory requirements in relation to its regulatory licences, and achieving shareholder returns.

b) Categories of financial instruments

	2023 $'000	2022 $'000
Financial assets		
Cash and cash equivalents	**99,690**	108,316
At amortised cost – trade receivables	**15,886**	7,272
At amortised cost – other receivables	**6,440**	2,812
At fair value through profit or loss (FVTPL) – managed funds	**10,000**	10,000
	132,016	128,400
Financial liabilities		
At amortised cost – trade payables	**2,106**	680
At amortised cost – other payables	**1,244**	1,038
At amortised cost – borrowings	**50,619**	41,059
At amortised cost – lease liabilities	**9,840**	9,441
	63,809	52,218

During the 2023 financial year, there were no financial assets or liabilities designated as at fair value through other comprehensive income for either the Group or the Company (2022: nil). No financial assets have been pledged as collateral for either liabilities or contingent liabilities (2022: nil). No assets are held as collateral (2022: nil).

(c) Financial risk management objectives

The Group's main financial instrument risk exposures relate to market risk (including interest rate risk and currency risk), credit risk and liquidity risk. The Group manages financial instrument risk through a combination of Executive management monitoring key financial risks and the use of management and Board committees that manage and monitor particular activities and their related financial risks. The Board Risk Committee is responsible for overseeing the risk profile and risk management of the Group. The Board is ultimately responsible for the Group's Risk Management Framework (RMF), and overall risk management within the Group.

Executive management and management committees report to the Board on a regular basis regarding their activities and the related financial risks. The Group committees include a Management Risk and Compliance Committee (MRCC), Due Diligence Committee (DDC) and Management Investment Committee (MIC). The MRCC reviews risk and compliance issues across the business, with the other committees, DDC and MIC, having a more specialised focus. The DDC reviews new business proposals including the risks associated with counterparties. The MIC responsibilities include reviewing and managing the Group's investment portfolio and its associated financial risks. Boards of Group subsidiary companies also escalate issues to the Group Board as required.

The liquidity position of the Group and Company are continuously monitored by Executive management and the impact on liquidity of any significant transaction, such as payment of a dividend, acquisition of a new business, and purchase of capital assets is considered before the transaction being approved.

The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. The Group's investment policy is to hold financial instruments for the long-term to support capital and NTA requirements. The asset allocation of the portfolio is conservative and complies with regulatory requirements. The AFSL conditions include holding a required minimum level of NTA in liquid assets, with 50% of this amount in cash or cash equivalents. The Group does not use hedging to manage its financial risks.

(d) Market risk management

The Group's primary risk exposure in relation to financial instruments is to interest rate risk. The exposure primarily arises in relation to the Group's investment portfolio (held to support NTA requirements) and borrowings. The Group has a modest exposure to currency risk via its UK- and Irish-based subsidiaries. The Group does not currently use derivatives to manage market risks, as Executive management do not believe these risks currently warrant the use of derivatives due to their nature and relatively low level of risk.

The Group's market risks in relation to financial instruments are managed by Executive management and the MIC. In relation to interest rate risk, the MIC provides guidance regarding the management of the Group's investment portfolio. In relation to currency risk, the Group continuously monitors the balance sheets of entities whose functional currency is not the Australian Dollar, along with the value of foreign currency intercompany loans and receivables to manage overall foreign currency exposure.

There has been no significant change from the previous year to the Group's exposure to market risk or the way these risks are managed.

(d)(i) Interest rate risk management

The Group is exposed to interest rate risk in relation to its financial instruments as funds are invested at variable interest rates. The Group's borrowings are at fixed interest rates. The Group has a policy of placing interest-bearing investments with Australian banks and other counterparties with strong credit ratings. This minimises the risk of default and also ensures that the Group continues to meet its capital adequacy requirements. Within these parameters, the Group seeks to make interest-bearing investments at the best available rates with Australian banks and other counterparties that meet its credit rating and security criteria. These investment processes and reviews are overseen by the MIC.

INTEREST RATE SENSITIVITY ANALYSIS

A sensitivity analysis in relation to the Group's exposure to interest rate movements is set out below. Management have assessed the reasonably possible change in interest rates to be plus/minus 100 basis points for 2023 (2022: plus/minus 100 basis points) based on a review of market conditions. This assumes both long- and short-term interest rates will have the same basis point movement.

The sensitivity analysis is calculated using the end of year balance of the financial instrument where this balance is representative of the balance throughout the year. If the end of year balance is not representative of the balance throughout the year, then the sensitivity analysis is calculated using the average balance (calculated on a quarterly basis) held throughout the year.

	CARRYING AMOUNT AT 30 JUNE 2023	INTEREST RATE RISK			
		-1%		+1%	
	$'000	PROFIT $'000	EQUITY $'000	PROFIT $'000	EQUITY $'000
Cash and cash equivalents	99,690	(997)	-	997	-
At amortised cost – borrowings	(50,619)	506	-	(506)	-
At FVTPL – managed funds	10,000	(100)	-	100	-
	59,071	**(591)**	**-**	**591**	**-**

	CARRYING AMOUNT AT 30 JUNE 2022	INTEREST RATE RISK			
		-1%		+1%	
	$'000	PROFIT $'000	EQUITY $'000	PROFIT $'000	EQUITY $'000
Cash and cash equivalents	108,316	(1,083)	-	1,083	-
At amortised cost – borrowings	(41,059)	411	-	(411)	-
At FVTPL – managed funds	10,000	(100)	-	100	-
	77,257	**(772)**	**-**	**772**	**-**

(d)(ii) Currency risk

The Group is exposed to currency risk arising from its UK- and Irish-based subsidiaries (Note 31). The operations of the Group's overseas businesses are predominantly denominated in British Pounds (GBP) and Euros (EUR). As a result, the Group has some exposure to currency risk arising from:

- fluctuations in future cash flows relating to the foreign currency-denominated operations of the Group's overseas-based subsidiaries; and
- fluctuations in the fair value of financial assets and liabilities held by the Group's UK-based subsidiaries.

Currency risk also arises on intercompany loans and receivables owing between the Australian Group and overseas-based subsidiaries.

As the Group's overseas-based operations currently contribute a non-significant amount to the Group's financial results and balance sheet, no currency hedging is currently used to manage these risks. Executive management continue to monitor the Group's overall exposure to foreign currency and should the need arise, will consider the modest use of derivatives to manage the Group's currency exposure.

FOREIGN CURRENCY SENSITIVITY ANALYSIS

A sensitivity analysis in relation to the Group's exposure to foreign exchange rate movements is set out below. Management have assessed the reasonably possible change in foreign exchange rates to be plus/minus 10% for 2023 (2022: plus/minus 10%) based on a review of market conditions.

The sensitivity analysis is calculated using the end of year balance of each financial instrument where this balance is representative of the balance throughout the year. If the end of year balance is not representative of the balance throughout the year, then the sensitivity analysis is calculated using the average balance (calculated on a quarterly basis) held throughout the year.

	CARRYING AMOUNT AT 30 JUNE 2023	FOREIGN CURRENCY RISK			
		-10%		+10%	
	$'000	PROFIT $'000	EQUITY $'000	PROFIT $'000	EQUITY $'000
Cash and cash equivalents	3,718	-	(372)	-	372
Trade receivables	656	-	(66)	-	66
Trade payables	(65)	-	7	-	(7)
	4,309	**-**	**(431)**	**-**	**431**

	CARRYING AMOUNT AT 30 JUNE 2022	FOREIGN CURRENCY RISK			
		-10%		+10%	
	$'000	PROFIT $'000	EQUITY $'000	PROFIT $'000	EQUITY $'000
Cash and cash equivalents	5,298	-	(530)	-	530
Trade receivables	472	-	(47)	-	47
Trade payables	(318)	-	32	-	(32)
	5,452	**-**	**(545)**	**-**	**545**

(d)(iii) Other price risk management

As outlined in Note 29, included in the investment portfolio of the Company and Group are investments in a managed investment scheme where a Group subsidiary acts as the responsible entity. Although the Company has a prima facie price risk exposure from these investments, this risk is not significant due to the existence of suitable controls including monitoring by the MIC of the quality and security of these investments (2022: nil).

Other than as described above, as at 30 June 2023, the Group had no exposure to other price risk (2022: no exposure to other price risk).

(e) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in financial loss to the Group. The Group and the Company have adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The main source of credit risk in financial instruments is from outstanding accounts receivable, and deposits and fixed interest investments with banks, borrowings from banks and investments in managed investment schemes (2022: same).

Executive management and, where applicable, the DDC reviews significant new clients before the take on of these clients is approved. The review process includes establishing the credit-worthiness of the client. Other new clients are reviewed by business managers for credit-worthiness as is appropriate to the size and nature of the client. The MIC reviews and monitors the deposits and fixed interest investments with counterparties and borrowings from banks including any credit risk issues.

Accounts receivable consists of a large and diverse number of customers. Ongoing evaluation is performed on the financial condition of outstanding accounts receivable by the applicable business managers.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics (2022: nil). The credit risk on liquid funds is limited because the Group holds its liquid funds with counterparties that have high credit ratings assigned by international credit rating agencies and in managed investment schemes that have a low risk of default.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Group's maximum exposure to credit risk without taking account of any collateral obtained.

(f) Fair value of financial instruments

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.

FAIR VALUE OF THE GROUP'S FINANCIAL ASSETS AND FINANCIAL LIABILITIES THAT ARE MEASURED AT FAIR VALUE ON A RECURRING BASIS

FINANCIAL ASSETS	FAIR VALUE AS AT 2023 $'000	2022 $'000	FAIR VALUE HIERARCHY	VALUATION TECHNIQUE
EQT Wholesale Mortgage Income Fund	**10,000**	10,000	Level 2	Daily published prices

There were no significant unobservable inputs in relation to the fair value of the EQT Wholesale Mortgage Income Fund in 2023 (2022: same).

FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES THAT ARE NOT MEASURED AT FAIR VALUE ON A RECURRING BASIS

The Directors consider that the carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their fair values.

(g) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, who have put in place a suitable risk management framework to manage the Group's short-, medium- and long-term funding and liquidity management requirements.

The Group manages liquidity risk by maintaining adequate reserves and banking facilities. The liquidity position of the Group is continuously monitored by Executive management and the impact on liquidity of any significant transaction, such as payment of a dividend, acquisition of a new business, and purchase of capital assets, is considered before the transaction being approved.

The Group does not currently have any derivative financial instruments.

LIQUIDITY RISK TABLE

The following tables detail the Group's remaining contractual maturities for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

	EFFECTIVE INTEREST RATE %	LESS THAN 1 MONTH $'000	1-3 MONTHS $'000	3 MONTHS TO 1 YEAR $'000	1-5 YEARS $'000	5+ YEARS $'000
2023						
Non-interest-bearing – trade creditors	nil	2,106	-	-	-	-
Borrowings – Corporate facility	5.6%	173	345	1,554	45,288	-
Borrowings – Operational Risk Financial Requirement (ORFR) facilities	5.7%	63	125	564	16,210	-
		2,341	**471**	**2,118**	**61,498**	**-**
2022						
Non-interest-bearing – trade creditors	nil	680	-	-	-	-
Borrowings – Corporate facility	2.6%	22	43	195	11,040	-
Borrowings – Operational Risk Financial Requirement (ORFR) facilities	6.6%	169	339	1,523	39,130	-
		871	382	1,718	50,170	-

The Group has financial guarantee contracts in place relating to its lease obligations. At the year-end it was not probable that the counterparty to the financial guarantee contracts will claim under the contracts. Consequently, the amount included in the above table is nil (2022: nil). The maximum amount payable under these guarantees is $1,120k (2022: $910k).

(h) Financing facilities

	2023 $'000	2022 $'000
Committed loan facilities		
Amount used		
Corporate facility	**37,000**	10,000
ORFR facilities	**13,200**	31,005
	50,200	41,005
Amount unused		
Corporate facility	**43,000**	30,000
ORFR facilities	**19,000**	5,595
	62,000	35,595
	112,200	76,600

ACCOUNTING POLICIES

Financial assets and financial liabilities are recognised when a Group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss', 'fair value through other comprehensive income' and 'at amortised cost'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time-frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or (where appropriate) a shorter period, to the net carrying amount on initial recognition. Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at fair value through profit or loss.

Financial assets classified as at fair value through profit or loss (FVTPL)

Equities and investments in managed investment schemes held by the Group are classified as at FVTPL and are stated at fair value. Fair value is determined in the manner described in the Basis of Preparation to these financial statements. Gains and losses arising from changes in fair value are recognised in profit or loss. Dividends and distributions on FVTPL instruments are recognised in profit and loss when the Group's right to receive payments is established.

Financial assets classified as at amortised cost

Trade receivables, loans, and other receivables that are held under a business model whose objective is to collect the contractual cash flows, and comprise solely of payments of principal and interest, are classified as at amortised cost. Financial assets classified as at amortised cost are measured using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets, other than those classified as at fair value through profit or loss, are assessed for indicators of impairment at each reporting period. Financial assets are considered to be impaired when there is an increase in credit risk since the initial recognition of the financial asset.

Objective evidence of impairment could include:

- Significant financial difficulty of the issuer or counterparty.
- Default or delinquency in interest or principal payments.
- It becomes probable that the borrower will enter bankruptcy or financial re-organisation.
- The disappearance of an active market for that financial asset because of financial difficulties.

The Group recognises a loss allowance for expected credit losses on financial assets classified as at amortised cost, which includes trade receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime expected credit losses (ECL) for its trade and other receivables. The expected credit losses on these financial assets are estimated using the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12 month ECL. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets except for trade receivables, where the carrying amount is reduced using an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset or retains a residual interest that does not result in the retention of substantially all the risks and rewards of ownership and the Group retains control), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises based on the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised based on the relative fair values of those parts.

FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS

Classification as debt or equity

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial guarantee contract liabilities

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contract liabilities are measured initially at their fair values and, if not designated at fair value through the profit and loss, are subsequently at the higher of:

- the amount of the obligation under the contract, as determined under AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*; and
- the amount initially recognised less, where appropriate, cumulative amortisation in accordance with the revenue recognition policies.

Other financial liabilities

The financial liabilities of the Group are classified as other financial liabilities. Other financial liabilities are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability (or where appropriate, a shorter period), to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged or cancelled, or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

EMPLOYEE-RELATED DISCLOSURES

23 KEY MANAGEMENT PERSONNEL REMUNERATION

	2023 $	2022 $
The aggregate compensation made to key management personnel of the Company and the Group is set out below:		
Short-term employee benefits	**4,330,989**	5,018,729
Post-employment benefits (Superannuation)	**234,093**	259,409
Other long-term benefits	**76,943**	(4,657)
Share awards	**(476,251)**	671,312
	4,165,774	5,944,793

Full details of the remuneration of key management personnel for the year ended 30 June 2023 are outlined in the Directors' Report. The share awards of key management personnel for the year ended 30 June 2023 are outlined in the Directors' Report.

24 EMPLOYEE BENEFITS

The aggregate employee benefits liability (provision) recognised and included in the financial statements is as follows:

	2023 $'000	2022 $'000
Current (Note 11)		
Annual leave	**3,987**	2,506
Long service leave	**991**	401
Bonus	**6,914**	4,957
	11,892	7,864
Non-current (Note 11)		
Long service leave	**4,576**	2,206
	16,468	10,070

The above employee benefit provisions are the Directors' best estimate of the future outflow of economic benefits that will be required to settle these future payment obligations.

ACCOUNTING POLICIES

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required, and they are capable of being measured reliably.

Liabilities recognised in respect of short-term employee benefits, are measured at their nominal values using the remuneration rates expected to apply at the time of settlement. Liabilities recognised in respect of long-term employee benefits are measured at the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.

Payments to defined contribution superannuation plans are expensed when employees have rendered service entitling them to the contributions.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

25 EMPLOYEES

Average number of Group employees for the year was 390 (2022: 264).

COMMITMENTS, CONTINGENCIES AND SUBSEQUENT EVENTS

26 COMMITMENTS FOR EXPENDITURE

	2023 $'000	2022 $'000
Intangible assets		
Not longer than 1 year	**1,974**	529
Plant and equipment		
Not longer than 1 year	**-**	57

27 CONTINGENT LIABILITIES AND ASSETS

At 30 June 2023, the Group has financial guarantee contracts in place relating to its lease obligations worth $1,120k (2022: $910k).

There are a small number of past matters that relate to third party fund service providers. It is possible that the Group may need to make payments in relation to these matters, but expects to recover these costs.

There are no other contingent liabilities (2022: nil).

There are no contingent assets (2022: nil).

28 SUBSEQUENT EVENTS

On 14 August 2023, the Group announced that it had made a strategic decision to exit from its UK and Ireland businesses (referred to herein as CTS-EU). The decision follows an evaluation of CTS-EU's performance since acquisition in late 2017, and an assessment of the business pipeline, market, operating environment and anticipated required future investment by the Group. The method of exit (for instance, via sale or wind-up) is yet to be determined, but it is anticipated that this process will occur over the next 6-12 months.

Other than as described above, there has not been any matter or circumstance that has arisen since the end of the financial year that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

OTHER DISCLOSURES

29 RELATED PARTY DISCLOSURES

PARENT ENTITY

The parent entity, ultimate Australian parent entity and ultimate parent entity is EQT Holdings Limited.

EQUITY INTERESTS IN RELATED PARTIES

Details of the percentage of ordinary shares held in subsidiaries are disclosed in Note 31 to the financial statements.

The Company does not hold any interests in associates, joint ventures or other related parties.

TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

(a) Key management personnel remuneration

Details of key management personnel remuneration are disclosed in Note 23 to the financial statements and in the Directors' Report.

(b) Loans to key management personnel

The Group had nil key management personnel loans as at 30 June 2023 (2022: nil).

(c) Director and key management personnel equity holdings

Director and key management personnel relevant interests in fully paid ordinary shares of EQT Holdings Limited are disclosed in the Directors' Report.

(d) Entitlements to shares of EQT Holdings Limited issued under the Executive Performance Share Plan 1999.

Details of entitlements to EQT Holdings Limited shares issued under the Executive Performance Share Plan 1999 are disclosed in the Directors' Report.

(e) Vested shares awards

Details of vested share awards are disclosed in the Directors' Report.

(f) Other transactions with key management personnel

There are no other transactions with key management personnel that meet the definition of related party transactions during the year (2022: nil).

The following arrangements in relation to some Directors and KMP are in place as at 30 June 2023, but do not meet the definition of related party transactions.

- Some Directors, key management personnel and their associates have investments in managed investment schemes (which may include listed investment trusts) for which a Group subsidiary acts as responsible entity.
- Independent Director Kelly O'Dwyer is a Director of HMC Capital (ASX: HMC) and other companies in the HMC Capital Group. Companies in the HMC Capital Group have appointed Equity Trustees Limited to act as custodian for two registered managed investment schemes for arm's length market-based fees. Ms O'Dwyer did not participate in the decision to appoint an Equity Trustees subsidiary as custodian to the registered managed investment schemes. In addition, another subsidiary of EQT is assisting HMC Capital on taking steps to advance the establishment of the HMC Capital Foundation for arm's length market-based fees. Again, Ms O'Dwyer did not participate in the decision to engage an Equity Trustees subsidiary.
- Independent Director Kelly O'Dwyer is a Director of Barrenjoey Capital Partners Group Holdings Pty Ltd (Barrenjoey). Barrenjoey was appointed as a Joint Lead Manager (JLM) to assist the Group with its equity capital raise in relation to the acquisition of AET (refer to Note 13). Ms O'Dwyer did not participate in the decision to appoint Barrenjoey as a JLM to the Group.

INVESTMENTS IN MANAGED INVESTMENT SCHEMES

During the period, the Group acquired and disposed of 75,000,000 units in the EQT Cash Management Fund, a managed investment scheme where a Group subsidiary acts as responsible entity. These investments were on an arms' length basis (Note 20).

During the period the Group received distributions from managed funds investments totalling $853k (2022: $428k) from managed investment schemes where a Group subsidiary acts as responsible entity (Note 1).

Apart from the above, there were no other transactions with related parties.

30 PARENT ENTITY INFORMATION

The accounting policies of the parent entity, which have been applied in determining the financial information shown below, are the same as those applied in the consolidated financial statements except as follows:

Investments in subsidiaries are accounted for at cost. Dividends received from subsidiaries are recognised in profit or loss when the right to receive the dividend is established (and it is probable that the economic benefits will flow to the parent and the amount of income can be measured reliably).

Details regarding the tax-consolidated group and tax sharing arrangements are in Note 4.

FINANCIAL POSITION	2023 $'000	2022 $'000
Assets		
Current assets	**31,811**	20,328
Non-current assets	**407,233**	267,191
Total assets	**439,044**	287,519
Liabilities		
Current liabilities	**2,767**	1,854
Non-current liabilities	**50,200**	26,005
Total liabilities	**52,967**	27,859
Net assets	**386,077**	259,660
Equity		
Issued capital	**384,336**	257,558
Other reserves	**1,673**	1,880
Retained earnings	**68**	222
Total equity	**386,077**	259,660
FINANCIAL PERFORMANCE		
Profit for the year	**25,712**	17,493
Other comprehensive income	**-**	-
Total comprehensive income	**25,712**	17,493

CONTINGENT LIABILITIES OF THE PARENT ENTITY

There are no contingent liabilities (2022: nil).

There are no contingent assets (2022: nil).

COMMITMENTS OF THE PARENT ENTITY

The parent entity has no commitments for capital expenditure (2022: nil).

31 SUBSIDIARIES

NAME OF ENTITY	PRINCIPAL ACTIVITY	PLACE OF INCORPORATION AND OPERATION	PROPORTION OF OWNERSHIP INTEREST AND VOTING POWER HELD BY THE GROUP	
			2023	2022
Parent entity				
EQT Holdings Limited	Holding Company	Australia		
Subsidiaries				
Australian Executor Trustees Limited	Financial Services	Australia	100%	-
AET PAF Pty Ltd	Financial Services	Australia	100%	-
Equity Trustees Limited	Financial services	Australia	100%	100%
Equity Trustees Wealth Services Limited	Financial services	Australia	100%	100%
Equity Trustees Superannuation Limited	Financial services	Australia	100%	100%
EQT Responsible Entity Services Ltd	Financial services	Australia	100%	100%
EQT International Holdings Ltd	Financial services	Australia	100%	100%
EQT International Holdings (UK) Ltd	Financial services	United Kingdom	100%	100%
Equity Trustees (UK & Europe) Ltd	Financial services	United Kingdom	76%	76%
Equity Trustees Fund Services Ltd	Financial services	United Kingdom	76%	76%
Equity Trustees Fund Services (Ireland) Limited	Financial services	Ireland	76%	76%
EQT Corporate Securities Limited	Financial services	Australia	100%	100%
EQT Securitisation Services Pty Ltd	Financial services	Australia	100%	100%
EQT Australia Pty Ltd	Financial services	Australia	100%	100%
EQT Structured Finance Services Pty Ltd	Financial services	Australia	100%	100%
Equity Nominees Limited	Financial services	Australia	100%	100%
HTFS Holdings Pty Ltd	Financial services	Australia	100%	100%
HTFS Nominees Pty Ltd	Financial services	Australia	100%	100%
EQT Services Pty Ltd	Corporate services	Australia	100%	100%
EQT Legal Services Pty Ltd	Incorporated legal practice	Australia	100%	100%
Non-trading subsidiaries				
Equity Superannuation Management Pty Ltd	Non-trading	Australia	100%	100%
Equity Superannuation Administration Pty Ltd	Non-trading	Australia	100%	100%
Super.com Pty Ltd	Non-trading	Australia	100%	100%
Super.com.au Pty Limited	Non-trading	Australia	100%	100%
Apex Super Pty Ltd	Non-trading	Australia	100%	100%
Simple Wrap Pty Ltd	Non-trading	Australia	100%	100%

EQT Holdings Limited is the head entity within the tax-consolidated group.

All the above Australian incorporated subsidiaries are members of the tax-consolidated group.

Information about the composition of the group at the end of the year is as follows:

PRINCIPAL ACTIVITY	PLACE OF INCORPORATION AND OPERATION	NUMBER OF SUBSIDIARIES 2023	NUMBER OF SUBSIDIARIES 2022
Holding Company	Australia	1	1
Financial services	Australia, United Kingdom, Ireland	18	16
Corporate services	Australia	1	1
Incorporated legal practice	Australia	1	1
Non-trading	Australia	6	6

FUNCTIONAL CURRENCIES

The functional currencies of Group entities are as follows:

LOCATION	FUNCTIONAL CURRENCY
Australian domiciled entities	Australian Dollar
UK domiciled entities	British Pound
Irish domiciled entity	Euro

ACCOUNTING POLICIES

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights to variable returns from its involvement with the investee; and
- can use its power to affect its returns.

The Company reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote-holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable Australian Accounting Standards).

32 DEED OF CROSS GUARANTEE

EQT Holdings Limited and certain wholly owned entities as listed below, have entered a Deed of Cross Guarantee, effective 27 June 2018. The effect of the Deed of Cross Guarantee is that EQT Holdings Limited has certain obligations in relation to the debts of any of the wholly owned entities in the event of a wind up of any of those subsidiaries, in accordance with the *Corporations Act 2001*. Each of the wholly owned entities have provided a corresponding guarantee to EQT Holdings Limited, in the event of that Company's winding up.

By entering the Deed of Cross Guarantee, the wholly owned entities have been relieved from the requirement to prepare a financial report and Directors' Report under *ASIC Corporations (Wholly-Owned Companies) Instrument 2016/785*.

The wholly owned entities subject to the Deed of Cross Guarantee are as follows:

- EQT International Holdings Limited
- EQT Services Pty Limited
- Equity Nominees Limited

A consolidated statement of financial position and consolidated statement of profit or loss and other comprehensive income, for each of the entities that is party to the Deed of Cross Guarantee, is as follows:

CONSOLIDATED STATEMENT OF FINANCIAL POSITION	2023 $'000	2022 $'000
Current assets		
Cash and cash equivalents	**5,432**	6,837
Trade and other receivables	**2,964**	1,207
Prepayments	**4,443**	2,915
Other financial assets	**15,253**	9,324
Current tax receivable	**3,815**	-
Total current assets	**31,907**	20,283
Non-current assets		
Other financial assets	**461**	7,273
Right-of-use assets	**6,706**	6,529
Deferred tax assets	**7,741**	4,414
Investments in subsidiaries	**405,461**	266,443
Total non-current assets	**420,369**	284,659
Total assets	**452,276**	304,942
Current liabilities		
Trade and other payables	**6,204**	881
Provisions	**12,799**	8,965
Borrowings	**419**	54
Other current liabilities	**2,497**	1,885
Current tax payable	**-**	1,765
Total current liabilities	**21,919**	13,550
Non-current liabilities		
Provisions	**5,513**	3,113
Borrowings	**50,200**	26,005
Other non-current liabilities	**6,895**	7,548
Total non-current liabilities	**62,608**	36,666
Total liabilities	**84,527**	50,216
Net assets	**367,749**	254,726
Equity		
Issued capital	**384,336**	257,558
Other reserves	**2,472**	1,202
Retained earnings	**(19,059)**	(4,034)
Equity attributable to owners of the Company	**367,749**	254,726
Non-controlling interest	**-**	-
Total equity	**367,749**	254,726

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	2023 $'000	2022 $'000
Revenue	**119,436**	87,898
Expenses	**(105,724)**	(75,924)
Finance costs	**(2,399)**	(999)
Depreciation and amortisation	**(1,384)**	(1,234)
Profit before income tax expense	**9,929**	9,741
Income tax expense	**912**	(604)
Profit for the period	**10,841**	9,137
Other comprehensive income	**10,841**	9,137

33 AUDITORS' REMUNERATION

AUDITORS – DELOITTE TOUCHE TOHMATSU	2023 $	2022 $
Corporate entities		
Fees for the audit and review of financial statements		
Group	**121,351**	99,134
Subsidiaries	**548,649**	448,204
	670,000	547,338
Fees for other services		
Statutory assurance services	**106,000**	62,215
Corporation tax compliance services and ad hoc tax consulting services	**136,000**	43,464
Other assurance services	**108,000**	156,753
	350,000	262,432
Total remuneration for corporate entities	**1,020,000**	809,770

The 'Other assurance services' amounts paid to Deloitte Touche Tohmatsu are in accordance with the Company's auditor independence policy as outlined in the Corporate Governance Statement.

34 NEW AND AMENDED ACCOUNTING STANDARDS

AMENDMENTS TO AUSTRALIAN ACCOUNTING STANDARDS THAT ARE MANDATORILY EFFECTIVE FOR THE CURRENT YEAR

In the current year, the Group has adopted all of the new Accounting Standards and amendments to Australian Accounting Standards issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and mandatorily effective for accounting periods beginning on or after 1 July 2022 and are relevant for the current year end.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

No new and revised Standards, amendments and Interpretations have been adopted in the current year end.

STANDARDS AND INTERPRETATIONS IN ISSUE NOT YET ADOPTED

At the date of authorisation of the financial statements, there were a number of Standards and Interpretations that were issued but not yet effective. The Standards and Interpretations issued but not yet effective that are relevant to the Group are listed below.

STANDARD/INTERPRETATION	EFFECTIVE FOR ANNUAL REPORTING PERIODS BEGINNING ON OR AFTER	EXPECTED TO BE INITIALLY APPLIED IN THE FINANCIAL YEAR ENDING
AASB 2020-1 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current*	1 January 2023	30 June 2024
AASB 2022-6 *Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants*	1 January 2024	30 June 2025
AASB 2021-2 *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates*	1 January 2023	30 June 2024
AASB 2021-5 *Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*	1 January 2023	30 June 2024

Impact of changes to Australian Accounting Standards and Interpretations

A number of Australian Accounting Standards and Interpretations are issued but are not effective for the current year end. The following existing Group accounting policies will change on adoption of these pronouncements:

AASB 2020-1 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current*

This Standard amends AASB 101 *Presentation of Financial Statements* to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. For example, the amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. The meaning of settlement of a liability is also clarified.

This Standard applies to annual reporting periods beginning on or after 1 January 2022. The Directors of the Company do not anticipate that the application of the Amendment in the future will have an impact on the Group's consolidated financial statements.

AASB 2022-6 *Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants*

This Standard amends AASB 101 to improve the information an entity provides in its financial statements about liabilities arising from loan arrangements for which the entity's right to defer settlement of those liabilities for at least twelve months after the reporting period is subject to the entity complying with conditions specified in the loan arrangement.

The Directors of the Company do not anticipate that the application of the Amendment in the future will have an impact on the Group's consolidated financial statements.

AASB 2021-2 *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates*

This Standard amends:

- AASB 7 *Financial Instruments: Disclosures*, to clarify that information about measurement bases for financial instruments is expected to be material to an entity's financial statements;
- AASB 101 *Presentation of Financial Statements*, to require entities to disclose their material accounting policy information rather than their significant accounting policies;
- AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, to clarify how entities should distinguish changes in accounting policies and changes in accounting estimates;
- AASB 134 *Interim Financial Reporting*, to identify material accounting policy information as a component of a complete set of financial statements; and
- AASB *Practice Statement 2*, to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

This Standard applies to annual periods beginning on or after 1 January 2023, with earlier application permitted.

The Directors of the Company do not anticipate that the application of the Amendment in the future will have an impact on the Group's consolidated financial statements.

AASB 2021-5 *Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

This Standard makes amendments to introduce a further exception from the initial recognition exemption. Under the amendments, the Group does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.

Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying AASB 16 at the commencement date of a lease.

Following the amendments to AASB 112, the Group is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in AASB 112.

The amending standards also adds an illustrative example to AASB 112 that explains how the amendments are applied.

The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognises:

- A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with:
  - Right-of-use assets and lease liabilities
  - Decommissioning, restoration and similar liabilities and the corresponding amounts recognised as part of the cost of the related asset
- The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date.

This Standard applies to annual periods beginning on or after 1 January 2023, with earlier application permitted.

The Directors of the Company do not anticipate that the application of the Amendment in the future will have an impact on the Group's consolidated financial statements.

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Independent Auditor's Report to the Members of EQT Holdings Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of EQT Holdings Limited (the "Company") and its subsidiaries (the "Group") which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Group's financial position as at 30 June 2023 and of their financial performance for the year then ended; and
- Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
Business Combinations - Acquisition of Australian Executor Trustees Limited (AET) As disclosed in Note 13, the Group acquired 100% of the shares of AET and its subsidiary AET PAF Pty Ltd on 30 November 2022 for cash consideration of $132.6m. The transaction has been accounted for in accordance with AASB 3 Business Combinations using the acquisition method of accounting. This method involves a number of significant and complex judgements in determining the fair value of assets and liabilities acquired, particularly the assessment of the fair value of identified intangible assets.	In conjunction with both our Valuation and Accounting Technical specialists our procedures included, but were not limited to: • Obtaining a detailed understanding of the transaction including its governing terms and conditions as stipulated in various agreements; • Reviewing management's assessment of the application of AASB 3 to the transaction; • Evaluating the work performed by management and management's expert with respect to the purchase price allocation assessment; • Evaluating management's methodology and key assumptions utilised in their valuation models for intangibles; • Challenging the key assumptions utilised in the valuation models; and • Testing the mathematical accuracy of the valuation models. We also assessed the adequacy of the disclosures in Note 13 to the financial statements.
Impairment Assessment of Goodwill and Intangible assets allocated to the Trustee and Wealth Services ("TWS") cash generating unit ("CGU") As at 30 June 2023, goodwill and intangible assets, including management rights, with a carrying value totalling $330.6m, represent approximately 65% of the total assets of the Group (2022: totaling $205m, 58% of the total assets of the Group). As set out in note 8, management has allocated $165m or 91% of the goodwill to the Trustee and Wealth Services ("TWS") CGU (2022: $109m or 85%). Management conducts an annual impairment test to assess the recoverability of the carrying value of the CGU, including goodwill and intangible assets. This is performed using discounted cash flow model. There are a number of significant judgements made in determining the inputs into the TWS impairment model including: • Revenue, expenses and terminal growth rates; • operating margins; and, • discount rates.	In conjunction with our valuation specialists, our procedures relating to assessing the carrying value of the TWS CGU included, but were not limited to: • Challenging management's allocation of assets and liabilities to determine the carrying value of the CGU. • Obtaining an understanding of the key controls associated with the preparation of the discounted cash flow model used for the TWS CGU, and testing the design, implementation and operating effectiveness of controls; • Evaluating management's methodology and key assumptions utilised in the discounted cash flow model; • Challenging the key assumptions utilised in the discounted cash flow model including the revenue and expense growth rates, the terminal growth rate and EBITDA margins by comparing them to historical results; • Performing an independent recalculation of an appropriate discount rate to compare to the model input; • Testing the mathematical accuracy of the discounted cash flow model; • Agreeing budgeted cash flows to the latest board approved budget and assessing the reliability of historic forecasts by comparing to actual performance; and • Performing sensitivity analysis on key assumptions including revenue growth, operating margins, expense growth rates and discount rates. We also assessed the adequacy of the disclosures in Note 8 to the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2023 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 54 to 66 of the Directors' Report for the year ended 30 June 2023

In our opinion, the Remuneration Report of the Group, for the year ended 30 June 2023, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Lani Cockrem

Lani Cockrem
Partner
Chartered Accountants

Melbourne, 25 August 2023

ADDITIONAL SHAREHOLDER INFORMATION

In accordance with ASX Listing Rule 4.10, the Company provides the following information to shareholders not disclosed elsewhere in the Annual Report. This information is current as at 14 August 2023.

CORPORATE GOVERNANCE STATEMENT

The Company has prepared a statement which sets out the corporate governance practices that were in operation throughout the financial year for the Company, identifies any recommendations that have not been followed, and provides reasons for not following such recommendations ("the Corporate Governance Statement").

In accordance with ASX Listing Rules 4.10.3 and 4.74, the Corporate Governance Statement will be available for review on the Company's website https://www.eqt.com.au/about-us/investor-centre and will be lodged together with an Appendix 4G with ASX at the same time that this Annual Report is lodged with ASX.

NUMBER OF HOLDINGS OF EQUITY SECURITIES

As at the Reporting Date, the number of holders in each class of equity securities on issue in the Company is as follows:

	NO OF SECURITIES	NO OF SHAREHOLDERS
Fully Paid Ordinary Shares	26,506,386	3,306
Performance Share Rights	206,125	9

VOTING RIGHTS

The voting rights attaching to the ordinary shares are set out in clause 41 of the Company's constitution. Voting at the Company's general meetings is now conducted by a poll. Upon a poll, every member present in person or by attorney or by proxy or by representative shall have one vote for every share held by the member.

For completeness, if voting were to occur on a show of hands, the constitution provides that every member present in person or by attorney or by proxy or by representative shall have one vote. Where more than one proxy, representative or attorney is appointed, none may vote on a show of hands. Where a person is entitled to vote in more than one capacity, that person is entitled only to one vote.

There are no voting rights attached to the Performance Share Rights.

DISTRIBUTION OF SHARES

SIZE OF HOLDING	UNITS	NO. OF HOLDERS OF ORDINARY SHARES	%
100,001 and over	18,790,133	22	0.67
10,001 to 100,000	2,980,575	129	3.90
5,001 to 10,000	1,510,915	215	6.50
1,001 to 5,000	2,524,623	1,117	33.79
1 to 1,000	700,140	1,823	55.14

*There were 97 shareholders holding less than a marketable parcel ($500) of ordinary shares based on the closing market price of $27.20 at 14 August 2023.

DISTRIBUTION OF HOLDERS OF PERFORMANCE SHARE RIGHTS

SIZE OF HOLDING	UNITS	NO. OF HOLDERS OF ORDINARY SHARES	%
100,001 and over	-	-	0
10,001 to 100,000	7,774	2	22.22
5,001 to 10,000	-	-	0
1,001 to 5,000	198,351	7	77.78
1 to 1,000	-	-	0

SUBSTANTIAL SHAREHOLDERS

As at the Reporting Date, the names of the substantial shareholders in the Company and the number of equity securities in which those substantial holders and their associates have a relevant interest, as disclosed in substantial shareholding notices given to the Company, are as follows:

	DATE OF LAST NOTICE	SHAREHOLDING	% OF ISSUED CAPITAL SHOWN IN NOTICE
Australian Foundation Investment Company Limited	29/04/2016	1,303,232	6.53
Paradice Investment Management Pty Ltd	21/09/2018	1,298,252	6.38
Washington H. Soul Pattinson and Company Limited	15/03/2022	1,742,522	8.27

20 LARGEST SECURITY HOLDERS AS AT 14 AUGUST 2023

20 LARGEST SHAREHOLDERS		NO. OF SHARES	%
1	Citicorp Nominees Pty Limited	3,159,261	11.92
2	HSBC Custody Nominees (Australia) Limited	2,831,902	10.68
3	National Nominees Limited	2,185,127	8.24
4	Australian Foundation Investment Company Limited	1,647,438	6.22
5	J P Morgan Nominees Australia Pty Limited	1,551,493	5.85
6	BNP Paribas Noms Pty Ltd	1,271,987	4.80
7	Washington H Soul Pattinson And Company Limited	1,166,054	4.40
8	Djerriwarrh Investments Limited	1,002,318	3.78
9	BNP Paribas Nominees Pty Ltd	746,319	2.82
10	Mirrabooka Investments Limited	532,093	2.01
11	HSBC Custody Nominees (Australia) Limited	517,548	1.95
12	BKI Investment Company Limited	447,932	1.69
13	AMCIL Limited	323,257	1.22
14	UBS Nominees Pty Ltd	309,856	1.17
15	Superdeck Pty Ltd	191,050	0.62
16	Pacific Custodians Pty Limited	164,792	0.55
17	Warbont Nominees Pty Ltd	145,199	0.49
18	Neweconomy Com Au Nominees Pty Limited	130,765	11.92
19	HSBC Custody Nominees (Australia) Limited	126,968	0.48
20	KJE Superannuation Pty Ltd	121,467	0.46
Totals: Top 20 holders of Ordinary Fully Paid Shares (Total)		**18,572,826**	**70.07**
Total Remaining Holders Balance		**7,933,560**	**29.93**

UNQUOTED SECURITIES

The 206,125 Performance Share Rights on issue were issued as part of an employee awards plan and are unquoted.

RESTRICTED SECURITIES

There were no restricted securities as at 14 August 2023.

ON-MARKET BUY-BACK

There is no current on-market buy-back.

OTHER INFORMATION

There are no issues of securities approved for the purpose of Item 7 of Section 611 of the Corporations Act which have not yet been completed.

No securities were purchased on market during the reporting period under or for the purposes of an employee incentive scheme or to satisfy the entitlements of the holders of options or other rights to acquire securities granted under an employee incentive scheme.

10-YEAR FINANCIAL PERFORMANCE SUMMARY

The following table summarises the key financial performance metrics and value drivers of the Group over the past 10-years:

FINANCIAL SUMMARY	FY14 $'000	FY15 $'000	FY16 $'000
Revenue	54,935	84,857	83,696
Total expenses	(41,529)	(60,699)	(64,783)
Net Profit Before Tax (NPBT)	13,406	24,158	18,913
Reconciliation to Underlying NPBT (UNPBT)[1]			
M&A and/or project costs	-	-	-
Major Technology Systems Replacement Costs	-	-	-
Impairment	-	-	-
Underlying NPBT	n/a	n/a	n/a
Net Profit After Tax (NPAT)	9,713	16,959	13,288
Loss attributable to non-controlling interest			
NPAT attributable to equity holders of the Company	9,713	16,959	13,288
Reconciliation to Underlying NPAT (UNPAT)[1]			
M&A and/or project costs	681	2,900	5,477
Settlement of ATO dispute	-	-	-
Major Technology Systems Replacement Costs	-	-	-
Impairment	-	-	-
Underlying NPAT	10,394	19,859	18,765
VALUE CREATION MEASURES			
Earnings Per Share (EPS) (cents)	88.64	87.80	66.98
Underlying Earnings Per Share (EPS) (cents)	n/a	101.90	93.90
Dividends per share (cents) (paid and proposed)	94	94	68
Return on equity using NPAT	4.2%	7.0%	5.5%
FUMAS ($b)	39.9	56.3	66.9

[1]Underlying measures are used in some financial years to highlight the impact of one-off or significant transactions impacting financial results. Further information on these adjustments can be found in the EQT Holdings Limited Annual Report for the relevant financial year. Earnings per share for the prior periods shown have been adjusted to reflect the rights issue in August/September 2022.

FY17 $'000	FY18 $'000	FY19 $'000	FY20 $'000	FY21 $'000	FY22 $'000	FY23 $'000
79,928	88,456	92,499	95,430	101,040	111,513	**141,366**
(57,662)	(59,725)	(61,163)	(65,117)	(70,729)	(74,310)	**(110,514)**
22,266	28,731	31,336	30,313	30,311	37,203	**30,852**
-	-	-	-	1,827	184	**8,570**
-	-	-	-	-	-	**1,264**
-	-	-	-	-	-	**2,316**
n/a	n/a	n/a	n/a	32,138	37,387	**43,002**
15,437	19,696	21,369	18,487	20,508	22,669	**17,317**
	(263)	(825)	(725)	(1,020)	(1,559)	**(1,516)**
15,437	19,959	22,194	19,212	21,528	24,228	**18,833**
2,271	567	-	-	1,717	183	**7,147**
-	-	-	2,006	(846)	-	**-**
-	-	-	-	-	-	**885**
-	-	-	-	-	-	**2,270**
17,708	20,526	22,194	21,218	22,399	24,411	**29,135**
77.00	97.27	107.54	92.04	102.03	113.94	**73.94**
n/a	n/a	107.54	101.72	106.16	114.80	**114.38**
71	82	90	90	91	97	**99**
6.3%	7.7%	8.1%	6.9%	7.5%	8.1%	**4.3%**
71.4	86.2	84.9	101.0	144.2	148.9	**160.1**

The Annual Report can be viewed on our website: **www.eqt.com.au/investor-centre**

AUDITOR

Deloitte Touche Tohmatsu
477 Collins Street
Melbourne VIC 3000

SHARE REGISTRY

Link Market Services
Level 12
680 George Street
Sydney NSW 2000
Telephone: (02) 8280 7100

CORPORATE GOVERNANCE STATEMENT

Our Corporate Governance Statement is available on our website: www.eqt.com.au/about-us/investor-centre/corporate-governance

Main operating entities: EQT Holdings Limited (ABN 22 607 797 615), Equity Trustees Limited (ABN 46 004 031 298 AFSL 240975), Equity Trustees Superannuation Limited (ETSL) (ABN 50 055 641 757 AFSL 229757), Equity Trustees Wealth Services Limited (ETWSL) (ABN 33 006 132 332 AFSL 234528) and Australian Executor Trustees Limited (ABN 84 007 869 794 AFSL 240023).

EQT Holdings Limited
ABN 22 607 797 615

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www.eqt.com.au

Equity Trustees acknowledges Aboriginal and Torres Strait Islander people as the First Australians and respects their long and enduring connection to their land. We pay our respects to all Elders past and present.